G. R. S. IX-5]

Previous references.

1916-17
(E. F)

File No. 156-C6

Serial Nos. 1 to 2

Later references.

GENERAL AND REVENUE SECRETARIAT.

17.
(2)

Serial Nos. 1 to 2

Part B for June 1917

SUBJECT.

Second Member's Note on the Govt Resolution of the 31st March 1917 in regd. the Budget Estimates for 1917-18.

W D 88—GPB—50,000—24-7-16

R. S. 11] 191 .

Gfmr 655 of 16

GENERAL AND REVENUE SECRETARIAT.

(G. F)

NOTES.

G. F File No.

FILE HEADING.

Classification of Receipts and Expenditure

From

No. Dated 28.11.1916. Received 1.12.16.

Diary No.	Enclos.	Spare Copies.	Serial No.
			1

BRIEF ABSTRACT OF LETTER.

~~Mr~~ Mr Datta's note about Classification of receipts and expenditure.

NOTES AND ORDERS.

When this note was sent to the Comptr for remarks along with the note about Budget procedure he ~~has~~ noted as follows:—

" I agree with Mr Datta in regard to the changes in the classification of receipts & disbursements proposed by him and separate

NOTES—First Sheet.

G. R. S. 12]

General and Revenue Secretariat. | G 7 File No. 153 of 1913.

Serial No.

Remarks on the note on this Subject are not accordingly made".

2 The Specific proposals on which orders are required are found in paras 56 & 57.

3 The proposals appear to be acceptable

Orders?

H. [illegible]

NOTE—Contn. sheet.

GPB—70.000—17-12-15

3

Fr 4101

D.O. No.
Encs.

Office of the Special Officer,
Bangalore, 10th Decr.1916.

GOVERNMENT OF MYSORE

C.F 156 16

Dear Sir Visvesvaraya,

4 I enclose a copy of my note on the Simplification of Classification of Receipts and Charges in Accounts and Estimates, as well as a note by the Comptroller on it. The Finance Committee will meet next on the 21st inst., and considerable inconvenience will be caused to the Comptroller in the preparation of the Budget Estimates for next year, if the proposals are sanctioned only after their meeting, As the Budget Estimates have to be prepared very much earlier this year, it is necessary that the Comptroller should be able to make preliminary arrangements at once and these arrangements will depend largely on the acceptance of the proposals contained in my note. The matter is therefore very urgent and I request that you will give your general approval to the proposals at once if possible. If any minor changes are suggested by the Finance Committee here after, they may be introduced later on.

Yours sincerely,

K. L. Datta

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

Enclosure
D.O. Letter
G.7.15(6)

SUMMARY.

CLASSIFICATION OF RECEIPTS AND DISBURSEMENTS.

At present the accounts and estimates of the State are prepared in very great detail under a large number of major and minor and an enormous number of detailed heads, under both revenue and expenditure. These details serve very little useful purpose, make the accounts and estimates complicated and throw an inordinate amount of labour on departmental officers, the Treasuries and Sub-Treasuries, and above all, on the Comptroller's office without any commensurate result. It is this elaboration of details also which makes the work of the Secretariat in connection with the preparation of the estimates so heavy. It is therefore desirable to reduce the number of the existing major, minor and detailed heads in such a way as not to involve loss of administrative control or affect adversely administrative efficiency. At present there are many major, minor and detailed heads under which either no transactions occur at all in some years or if even they do occur, they are insignificant. These heads are therefore proposed to be abolished and other suggestions are also made, the effect of which will be to reduce the number of major heads from 72 to 47 and the number of minor heads from 386 to 191 and to reduce the number of detailed heads from several thousands to a few hundreds only.

2. The present grouping of the major heads in the general abstract prefixed to estimates and accounts follows closely the grouping in the estimates and accounts of the Government of India, though the conditions differ widely and the effect is that the transactions of the State are not presented in a clear form based on any scientific principles. A new method of grouping is therefore suggested. Both the existing and the proposed groupings are shown below :—

EXISTING GROUPING.

Revenue.

A. Principal Heads of Revenue.
A. A. Mining Revenue.
B. Surplus Revenue of Bangalore Assigned Tract.
B. B. Interest.
D. Receipts by Civil Departments.
E. Miscellaneous.
G. Military Receipts.
H. Railways-Revenue Account.
K. Public Works.
L. Cauvery Power Scheme.

Expenditure.

A. Direct Demands on the Revenue.
A. A. Charges against Mining Revenue.
B. B. Interest.
C. Palace.
D. Salaries and Expenses of Civil Departments.
E. Miscellaneous Civil charges.
F. Famine Relief and Insurance.
G. Army and Defence.
H. State Railways-Revenue Accounts.
I. Irrigation.
K. Public Works.
K. K. Capital outlay on State Railways.
L. Cauvery Power Scheme.
N. Capital outlay not charged to Revenue.

PROPOSED GROUPING.

A. Principal Heads of Revenue.
B. Surplus Revenue of Assigned Tract.
C. Mining Revenue (net).
D. Interest (net).
K. Railways—Revenue Account (net Profit).
L. Productive Irrigation Works—Revenue Account (net Profit).
M. Cauvery Power Works (net).
N. Other Capital Works (net).

A. Direct Demands on the Revenue.
C. Mining Revenue—Capitalisation Fund.
D. Sinking Funds.
E. Palace.
F. Civil Administration (net).
G. Public Works (net).
H. Moral and Material Development (net).
I. Army and Defence (net).
J. Famine Relief and Insurance.
K. Railways—Revenue Account (net Loss).
L. Productive Irrigation Works—Revenue Account (net Loss).
O. Capital outlay not charged to Revenue.

The most important changes suggested are—

(*a*) The expenditure on administration which is now divided into four groups namely (*a*) Salaries and Expenses of Civil Departments, (*b*) Miscellaneous Civil charges, (*c*) Irrigation and (*d*) Civil Works, is proposed to be shown only under three groups, namely, (*a*) Civil Administration, (*b*) Public Works and (*c*) Moral and Material Development.

As it is very desirable that the accounts and estimates should bring out clearly what proportion of the resources of the State are being spent on "Moral and Material Development," such as Economic Conference, Education, Agriculture, Industries and Commerce and Grants for public improvements, I have proposed a separate group for all these charges and have removed them from the other class of charges which are usually incurred by all administrations, and which I have proposed should be divided into two groups, "Civil Administration" and "Public Works."

I have retained "Sanitation and Vaccination" under ordinary "Civil Administration," though it may be argued that this also should be transferred to Moral and Material Development. If this is considered necessary, I would transfer only "Sanitation" to "Moral and Material Development" and transfer "Vaccination" to "Medical," which should remain under "Civil Administration."

(*b*) The heads under all these groups are intended to show charges of the different branches of the Administration, but the receipts and charges under all of them are at present shown respectively under Revenue and Expenditure. It is suggested that the expenditure under the respective heads should in future be shown net, as the receipts are merely incidental to the administration of the respective departments and represent a partial return of the expenditure incurred, such as sale proceeds of goods produced in the departments managed on commercial principles, namely, Industrial concerns, Jail manufactures, etc. The receipts do not represent contributions by the people towards the expenses of the State, but are only payments for services rendered, for which the State has to incur expenditure. Their inclusion as receipts only gives a false idea of the proportionate resources of the State spent on the different services. Exhibition of only the net expenditure under the heads will therefore lead to greater clearness in the form in which the accounts are presented.

(3) The receipts and expenditure on Revenue account of the productive works constructed by the State are similarly shown as revenue and expenditure except in the case of Railways where only the working expenses are deducted from the gross traffic receipts and the net earnings are shown on the receipt side. In the case of no classes of these works is the net profit or loss on its revenue account brought out clearly in the general accounts of the State. In all these cases therefore, I have proposed that the profit or loss on account of each class of these works should be shown specifically in the general abstract.

(4) At present except in the case of the Mysore Railway, interest is not charged to the revenue account of any of the productive works. I have proposed that in future interest should be charged at a fixed percentage rate on the whole capital expenditure incurred on each of these works whether such expenditure has been met from surplus revenues or from borrowed funds. The interest on that portion of the capital expenditure which has been met from surplus revenues, should be charged to the revenue account of the work by credit under the head "Interest." The net profit or net loss on each work will then be calculated after taking into account the gross earnings, the working expenses and the interest and depreciation charges and only this net profit or net loss will be shown in the general abstract, either on the revenue or the expenditure side as the case may be.

(5) There will thus be considerable receipts under the head "Interest," because the State has invested its large surplus revenues in the past, partly on productive works and partly in Government of India and other securities. On the other hand, the State has to pay interest on its loan of 20 lakhs, and on its unfunded debt, namely, Savings Bank Deposits, State Life Insurance premia, etc. The amount received by the State from the loan and from its unfunded debt has, as a matter of fact, been either invested in Government securities or on productive works. When interest on all these investments is credited on the receipt side as revenue, it is but right that charges on account of interest should be deducted from the receipts under the head and only the net result shown in the abstract accounts on the receipt side as revenue realised on account of interest.

(6) The receipts from "Mining Revenue" and the charges under "Army and Defence" should also be shown net for reasons explained already.

(7) Productive Public Works should be divided under the following major heads. (*a*) Railways and Tramways, (*b*) Irrigation Works, (*c*) Cauvery Power Works and (*d*) Other Capital Works such as the Kolar Gold Fields Water-supply.

(8) All capital expenditure should in future be shown outside the revenue account so as not to affect the surplus of the year. Surplus revenues, accruing in future as they are likely to do always though not to the extent as in the past, will of course be invested in productive works, *i.e.*, they will reduce the amount of debt which it would otherwise be necessary to incur for the construction of productive works.

(9) The grouping of the debt transactions should be changed. At present no distinction is made in the accounts between permanent and temporary debt such as temporary advances obtained from the Madras Bank, and between permanent and temporary investments such as fixed deposits made with Bank of Madras and with the Bank of Mysore. The deposits of the Reserve Funds, the loans granted, the transactions of Local and other Funds are all mixed up and shown under two heads, "Deposits and Advances" and "Advances and Loans." Remittance transactions are also not shown separately. I have accordingly proposed new major heads to bring out the transactions more clearly in future.

(10) If my suggestions are approved, the accounts and estimates will be presented in a clearer form, the size of the civil estimates and the detailed accounts prepared by the Comptroller will be considerably reduced, and it will be possible to effect considerable reduc- the Comptroller's establishment.

K. L. DATTA.

28-11-16.

CLASSIFICATION OF RECEIPTS AND DISBURSEMENTS.

A considerable part of the Comptroller's establishment is employed in the compilation of accounts and the magnitude of the work depends to a large extent on the number of heads under which the transactions are classified. This number is at present very large. A reduction of these heads would reduce the work in the Comptroller's Office to a great extent. It seems to me desirable therefore to consider how far these heads can be reduced in number. The benefits which are derived from elaborating the detail in which the accounts are compiled and finally published are :—

1. Facilitation of audit;
2. Facilitation of preparation of estimates;
3. Assistance to the administration by indication of the amount received and that spent under each head; and
4. The presentation in the published accounts of a permanent record of important facts.

2. These benefits are important but any simplification which will not affect these advantages certainly ought to be made. An account in which numerous insignificant items are interposed between important ones does not convey as clear an idea of the receipts and disbursements of Government as when all insignificant items are clubbed and shown under such heads as 'Other items' or 'Miscellaneous' under each Major or Minor head. There need be no apprehension that a reduction in the number of heads will deprive Government of a ready means of ascertaining particulars under certain classes of revenue or expenditure which would otherwise be available as the elimination of the heads may be carefully restricted only to such heads as are not of sufficient importance to be exhibited separately. As classification is entirely relative in character, there is no limit to the extent to which it may be extended. Classification in Public Accounts involves a double process, the separation of unlike items and the grouping of like items and unless a scientific line of action is pursued, it is likely that one of the objects will preponderate over the other with the result that the details available in the accounts will be either too meagre or too elaborate and sometimes too meagre under one head and too elaborate under another. In deciding what should be the correct mode of classification, the two tests to be applied are, whether the information now made available in such detail has been of any use to Government and whether the same information cannot be obtained when required from the Audit Office or from some other source.

3. As explained above it may be urged that if the existing heads are lumped together, it will lead to a loss of control and to inability to obtain information on particular matters, as readily as at present, if such information is required. But we should weigh the value obtained against the trouble involved by the present elaboration of accounts and the cost of the preparation of the accounts in the required form.

4. The time and labour involved or in other words, the agency employed in the compilation of accounts, whether at the Treasuries or the Comptroller's office, is at least as much as that engaged in conducting and recording the transactions or auditing the compiled accounts of these transactions. If the number of hands thus engaged be viewed in the total, it will be at once admitted how a large reduction in the number of heads must necessarily lead to reduction of work. Of the means by which compilation of accounts may be simplified, none is more effective than a reduction of the number of heads of classification to only such as are really required for statistical or other purposes.

5. The remote possibility of the revenue or expenditure on a particular account being required should be no ground for multiplying the number of heads so as to meet all such contingencies. Against the possibility of such information being required once in a way, must

be set the labour and time taken, month after month, in the compilation of the details and the loss of clearness in the exposition of the financial transactions of Government. In most cases such of the figures as are now available in the accounts, as a result of detailed classification, will be available in the Comptroller's Office from the Audit and other subsidiary Registers, as already explained, or the detailed registers maintained by departmental officers. The guiding rule in classification should hence be the distinction between the essential and the non-essential sub-division of items of Revenue and Expenditure and not the probability of a figure relating to a particular kind of receipt or charge being readily available should there ever be a need for it; nor is it ever possible to provide for all future contingencies.

6. The present classification has been based on that prescribed in the Civil Account Code and it may be urged that if a reduction in the number of heads has every thing in its favour, the Local Governments and the Government of India should have adopted it. This line of argument carries with it, its own condemnation. It implies that the Government cannot judge of its own requirements and adjust itself to its needs. It can only imitate what is done in British India, and not initiate what is good for the State. As a matter of fact, the Comptroller General has been pressing on the Government of India, for some years past, the urgent necessity for reducing the number of heads but the vastness of India and the diversity of the local conditions render any change tardy. I do not see any reason why Mysore should wait till the Government of India have made the necessary changes, specially when the conditions are so essentially different from those in British India.

7. Further the heads of classification in the Government of India accounts have to meet the requirements of all the Presidencies and Provinces and one head, that may be insignificant in one administration, may be quite the contrary in another. The classification has hence to be very comprehensive. Varying powers vested in each administration and department and the minor variations in the Local rules and the method of audit require sub-classification necessary. For instance, most Heads of Departments in British India have wide powers to create temporary appointments without reference to Government. To enable Government and the Audit Office to keep a watch over such temporary establishment charges and to see that the powers vested in heads of departments are exercised with discretion, temporary appointments have to be separated from permanent appointments. But in Mysore, there is no need for two separate heads, one for permanent and the other for temporary establishment, as temporary appointments are seldom created, except with the sanction of Government and in those cases in which small powers are vested in heads of departments, the charges on account of temporary establishment are negligible as compared with the charges for permanent establishment. In a compact and self-contained State, it is easier to adopt a rational system of classification than in a vast Empire comprising of so many separate Governments with different circles of Audit. (6)

8. It is certain that if the number of detailed heads could be reduced to one-half the present number, the work of compilation in the accounts office would be reduced by more than one-third. In the same way an increase in the number of detailed heads must sooner or later inevitably increase the number of clerks in the Comptroller's Office.

9. Following the example of British India, the heads under which the transactions of the State are classified are sub-divided into the following main classes:—

(1) Group Heads, (2) Major Heads, (3) Minor Heads, (4) Sub-Heads and (5) Detailed Heads.

10. First as regards the Group Heads under which Revenue and Expenditure are classified, they are at present as follows:—

Revenue.	*Expenditure.*
A. Principle Heads of Revenue.	A. Direct Demands on the Revenue.
A.A. Mining Revenue.	A.A. Charges against Mining Revenue.
B. Surplus Revenue of Bangalore Assigned Tract.	
B.B. Interest.	B.B. Interest.

D. Receipts by Civil Departments.	C. Palace.
	D. Salaries and Expenses of Civil Departments.
E. Miscellaneous.	E. Miscellaneous Civil Charges.
	F. Famine Relief and Insurance.
G. Military Receipts.	G. Army and Defence.
H. Railways—Revenue Account.	H. State Railways—Revenue Accounts.
	I. Irrigation.
K. Public Works.	K. Public Works.
	K.K. Capital Outlay on State Railways.
L. Cauvery Power Scheme.	L. Cauvery Power Scheme.
	N. Capital Outlay not charged to Revenue.

11. I would make some very important changes in the present grouping. They are briefly as follows:—

(*a*) The charges connected with Civil Administration and development of the country and the receipts incidental thereto are at present divided into two groups, namely, Civil Departments and Miscellaneous.

Under the former fall the following:—

1. General Administration.
2. Law and Justice—Courts of Law.
3. Do —Jails.
4. Police.
5. Education.
6. Agriculture.
7. Industries and Commerce.
8. Muzrai or Religious and Charitable Institutions
9. Medical.
10. Sanitation and Vaccination.

The following are taken under "Miscellaneous":—

1. Superannuation Allowances and Pensions.
2. Stationery and Printing.
3. Grants for Public Improvements.
4. Miscellaneous.

The above classification is based generally, on that followed in British India. The conditions of Mysore, however, appear to me to be different and here I would make a departure from the British example. Mysore has extended its activities in various directions and the policy of the State is not only to carry on the ordinary Civil Administration, so as to give peace and protection against life and property to the people and to enable them to enjoy the benefits of law and order but to devote a substantial share of the resources of the State towards the moral and material progress of the people. The charges at present shown under the group "Miscellaneous" are incidental to all administrations and are really integral parts of the ordinary charges of Civil Administration and I do not think it is necessary to separate them under a separate group "Miscellaneous." On the other hand, the charges incurred for the economic development of the country and for the moral and material progress of the people are not brought out separately but are mixed up with those incurred for the ordinary Civil Administration of the State. I would therefore show these charges under a separate group so as to show clearly what proportion of the total resources of the State is being applied for this purpose. I would divide the charges at present shown under "Civil Departments" and "Miscellaneous" into two groups, namely,—

(1) Civil Administration and

(2) Moral and Material Development,

the major heads under the two groups being as follows:—

Charges of Civil Administration.

9. General Administration.
10. Law and Justice—Courts of Law.

11. Law and Justice—Jails.
12. Police.
13. Muzrai or Religious and Charitable Institutions.
14. Medical.
15. Sanitation and Vaccination.
16. Superannuation Allowances and Pensions.
17. Stationery and Printing.
18. Miscellaneous.

Charges for Moral and Material Development.

19. Economic Conference.
20. Education.
21. Agriculture.
22. Industries and Commerce.
23. Grants for Public Improvements.

(*b*) The second important change is that in all accounts and estimates of the receipts and disbursements of the State, I would first of all give two general abstracts, one showing the revenue and expenditure and other receipts and payments under debt, etc., heads by group heads only, and the other, giving the details of the above by major heads. At present only one General Abstract is given showing the figures by major heads, the grouping being also shown in the same statement. (7)

(*c*) At present the Revenue and Expenditure of the State under most of the major heads are shown gross even though the revenue may be really on account of receipts incidental to the administration or the charges may be such as are incurred only to produce the revenue concerned. In many cases, the receipts do not represent contributions by the people towards the expenses of the State but are only payments for services rendered for which the State has actually to incur expenditure. These receipts should not therefore be looked upon as part of the resources of the State. If they grow, the expenditure must also grow. Their inclusion as receipts only gives a false idea of the proportionate share of the resources of the State spent upon the service concerned. In such cases, it would, therefore, lead to greater clearness in the presentation of the accounts to deduct the receipts from the expenditure and to show only the net expenditure incurred for the service concerned. Similarly, some items of expenditure are absolutely necessary to produce the revenue concerned and in these cases, it would be better to deduct the expenditure from the revenue and to show only the net amount of revenue received. The only instance in which some attempt has been made in this direction is the case of Railways. Here, following the example of British India, the working expenses and surplus profits paid to Companies working Railways are deducted from the gross earnings and only the net earnings are shown as revenue. This does not go far enough and the net result of the railway undertaking of the State is not brought out clearly in the General Abstract. For the same reason for which the working expenses are deducted from the gross receipts, I would deduct the interest and all other revenue charges connected with Railways from the revenue and show only the net result of the working of the Railways either as revenue or expenditure according as it is a net profit or a net loss to the State. The working expenses are deducted because the gross earnings are not the real revenue of the State when it is borne in mind that a considerable share of it must be spent in working expenses. Similarly, charges on account of interest and surplus profits must also be paid. In fact, in the case of all commercial undertakings by the State, it is the net financial result of the undertaking which should be considered as revenue or expenditure of the State, according as it is a net profit or a net loss. The inclusion of the total receipts and the total expenditure only unnecessarily swells the revenue and expenditure of the State, and creates false impressions regarding the share of the resources of the State, spent on different purposes. For the same reason, I would also show the figures under "Irrigation," "Cauvery Power Scheme" and "Mining Revenue" net. The same arguments apply to the expenditure under the new group "Moral and Material Development" suggested by me. Not only are some of the items of a commercial nature, but in almost every case, the receipts are not contributions by the people but are merely payments for services rendered by the State. The expenditure under all these heads should therefore, be shown net. For the same reasons, the expenditure under all the major heads under Civil Administration should also be shown net.

(*d*) The next group head for consideration is "Interest." The State has had large surpluses in the past and the whole of it has been invested either in Government or other Securities or on the construction of productive Public Works. I have explained in another note the imperative necessity of charging interest on the Capital spent to the Revenue accounts of all the different classes of productive Public Works constructed. This is absolutely necessary in order that the accounts may clearly show whether the works have really turned out profitable or not. So far as the Capital required for these works has been found from the surpluses of the State, interest can only be charged, by showing a corresponding amount as a receipt under the head "Interest." This is only fair because if the surpluses had not been invested in Capital Works they would have been invested in securities which would have earned interest and this interest would have been shown as a receipt. This receipt on account of interest is not therefore, fictitious and will not also lead to exaggeration of the receipts of the State, because it will be deducted on the receipt side from the net earnings on the different Capital Works and will be added as receipts under "Interest." The result will thus be, to reduce the receipts under one head and to increase those under another, leaving the total unaffected.

(*e*) The State has raised a loan of 20 lakhs and it is only fair that payments on account of interest on this loan should be deducted from the receipts under the head "Interest," because, to the extent of this loan we are over-stating the amount of the surpluses invested in Securities or Capital Works. The State has also invested in securities a considerable part of its receipts on account of Unfunded Debt, namely Savings Bank Deposits, State Life Insurance, etc. It gets interest on the securities but it has also to pay interest on the Unfunded Debt. And it is but right that only the net result should be shown in the accounts by addition or deduction from the receipts on account of interest according as it is a net charge or a net receipt. I would, therefore, show the transactions under "Interest" also net.

(*f*) The only other group which remains to be considered is the group "Principal Heads of Revenue." Here I would not show the transactions net, but would show the gross receipts on the receipt side and the gross payments on the payment side, because, if the receipts are shown net, it would give a false idea of the amounts raised from the people by taxation or otherwise. It is the gross amount which the people are contributing and their liability is not affected by the fact that a part of the amount realised from them has to be spent by the State for collecting the amounts from them, or for the administration of the different departments entrusted with such collection.

(*g*) To sum up, the final result of my suggestions is to show the Revenue and Expenditure of the State under the groups as shown below :—

A. Principal Heads of Revenue	... A. Direct Demands on the Revenue.
B. Surplus Revenue of the Assigned Tract.	
C. Mining Revenue (net).	... C. Mining Revenue—Capitalization Fund.
D. Interest (net.)	... D. Sinking Funds.
	E. Palace.
	F. Charges of Civil Administration (net).
	G. Public Works (net).
	H. Moral and Material Development (net).
	I. Army and Defence (net).
	J. Famine Relief and Insurance.
K. Railways—Revenue Account (net Profit)	K. Railways—Revenue Account (net Loss).
L. Productive Irrigation Works—Revenue Account (net Profit)	... L. Productive Irrigation Works—Revenue Account (net loss).
M. Cauvery Power Works (net).	
N. Other Capital Works (net)	... O. Capital outlay not charged to Revenue.

12. I also append two abstracts showing the figures contained in the Financial Statement for 1916-17, reclassified according to my proposals. Clearness and intelligibility are of the greatest importance in any statement of public accounts and I leave it to the authorities to judge whether the statements I append do not present the figures in a more lucid way than the statement in which they were actually presented. The whole question is, whether the

new statement gives a clearer and more correct statement of the financial transactions of the State, and so far as I can judge there cannot be two opinions about it. Under the present arrangement of showing gross figures on both sides, the proportion of the total resources of the State taken by the Imperial Government in the shape of a tribute appears comparatively small, while if the true resources of the State are shown, the proportion of the contribution to the Imperial Government will appear much larger. It may be noted here that one of the effects of the Government of India showing their Receipts and Expenditure practically gross under all heads is that the Military Expenditure of the Empire and the Home Charges do not appear very large in comparison with the total Revenue of the Empire. Public Accounts should not, however, be presented in such a way as to show that Expenditure under any head absorbs a smaller percentage of the total resources than it really does.

13. Next, as regards Major heads, it is necessary to consider what are the heads which are essential for a proper exhibition of the transactions of the State. Many of the heads which at present appear in the State accounts appear to be superfluous; and it appears to be desirable to re-cast them. I would therefore prescribe only the heads given in Appendix A. The changes which are suggested in this list are as follows:—

14. I have struck out the two major heads "Refunds and Drawbacks" and "Assignments and Compensations." The transactions under "Refunds" are very small and I do not think it is necessary to exhibit them under a special major head. They can be shown either as minor heads under the respective major heads of expenditure or they can be adjusted by deduction from the corresponding revenue heads. If they are shown as expenditure under the respective major heads which are intended to show the cost of the collection of the respective items of revenue, then the cost of the collection would be unduly swelled and would also fluctuate largely from year to year. Further it is only the net amounts which are really contributed by the people and not the gross amounts. I would therefore show them as deductions from the respective items of revenue and would assign special minor heads for them, as Deduct entries under the heads concerned. Assignments and Compensations consist mainly of four kinds of payments, *viz.*, (*a*) Malnad Inam payments, (*b*) Assignment of Excise revenue to Inamdars, (*c*) Assignment of registration and surcharge fees on arrack shops to the Mysore and Bangalore City Municipalities and (*d*) Compensation to the Sringeri Jahgir for loss of revenue on account of the abolition of halat on supari. The first three payments are of the nature of refunds of revenue and I would show them by deduction from the receipts under the same minor head as refunds, the head being styled "Refunds and assignments." The last one should not be charged under the group "Principal Heads of Revenue" at all, but should be charged as a special item of expenditure under the major head "Miscellaneous."

15. Under Mining Revenue, as mentioned already, I would show the receipts net by deducting from the receipt side all charges debitable to the revenue. These charges at present consist of the following:—

1. Mines and Geology.
2. Law and Justice—Courts of Law.
3. Police.
4. Education.
5. Medical.
6. Miscellaneous.
7. Refunds.

16. Fixed percentages of the charges under the various heads are transferred to the major head "Charges against mining revenue" in order to arrive at the correct net amount which is obtained by the State from its Gold mines. These percentages are more or less arbitrary and these monthly transfers involve considerable labour in the office of the Comptroller. In some cases, it is also difficult to see the justification for the transfers made, *e.g.*, in the case of charges for the Kolar Gold Fields Courts of Law. The expenditure of these courts ought to be primarily met from the Court and other fees realised and I do not think there is much justification for debiting the charges to mining revenue, while the receipts are credited to Stamps and Law and Justice. Similarly the charges for the Kolar Gold Fields Civil and Maternity Hospitals might be specially large on account of the large population of the Gold Fields. Still they are medical charges and I do not see that it is legitimate to debit the whole of these charges to mining revenue.

17. Then again the charges for Mines and Geology, namely, those on account of Geological Survey, Prospecting and Inspection of mines and explosives are at first recorded under a special minor head " Mines and Geology " under the major head " Scientific and other Departments." Seventy-five per cent of the total charges are then transferred to the head " Charges against Mining Revenue." Here also the percentage has been fixed quite arbitrarily. On the whole I think it would be better to charge the whole of the expenditure on account of Geological Survey, and Inspection of mines, etc., directly to the head " Charges against Mining Revenue." Similarly, the charges on account of the Kolar Gold Fields Police Force are first brought to account under the major head " Police " and the whole of the expenditure is then transferred to the major head " Charges against Mining Revenue," while the charges on account of the Special Detective Police in the Gold Fields are allowed to remain under the major head " Police " because the mining companies pay a contribution of Rs. 15,000 for the purpose which is credited as a receipt under the major head " Police." I think the charges on account of the Kolar Gold Fields Police should be charged directly to the head " Mining Revenue " together with the charges connected with the Detective Police, while the contribution paid by the mining companies should also be credited to the head " Mining Revenue." The charges under the other heads " Courts of Law," " Education " and " Miscellaneous " need not, I think, be transferred at all to the heads " Charges against Mining Revenue " and may be allowed to remain under the major heads concerned. With these alterations in the method of adjustment, the charges under the head " Mining Revenue " would have compared as follows with those shown in the current year's Budget Estimates :—

Minor heads	Budget estimate, 1916-17	Revised estimate, 1915-16	Budget estimate, 1915-16	Accounts, 1914-15
	Rs.	Rs.	Rs.	Rs.
Geological Survey and Prospecting	86,000	74,200	89,700	69,737
Inspection of Mines and Explosives	39,200	35,600	37,200	35,144
Police	76,000	69,400	73,400	73,113
Special Detective Police, K. G. F.	15,000	15,000	15,000	14,053
Miscellaneous and Refunds	20,500	19,000	17,000	7,814
Total ...	236,700	213,200	232,300	199,861
Deduct Contribution for Special Detective Police, K. G. F.	15,000	20,000	16,000	11,834
Total charges against Mining Revenue—Net according to the classification proposed.	221,700	193,200	216,300	188,037
Charges against Mining Revenue as at present classified.	244,000	219,000	237,000	205,923
Difference ...	22,300	25,800	20,700	17,896

18. The differences are about the same as the charges on account of Law and Justice which, I do not think, can be legitimately debited to Mining Revenue as the corresponding receipts from court and other fees are not credited to the same head. The abolition of the various transfers will not, I think, therefore affect the net mining revenue to any appreciable extent. (5)

19. Following the practice in British India the interest paid by the State on its debt is shown under two heads, Interest on ordinary debt and Interest on other obligations. In British India the whole of the interest actually paid on the ordinary debt is first brought under the head " Interest on Debt " but that portion of it which is paid on the debt incurred for construction of Productive Public Works is transferred to the respective expenditure heads, *viz.*, Railway and Irrigation works. The practice of charging interest against the revenue earned by the Capital Works is not however followed in Mysore. The State has really no ordinary debt except the loan of 20 lakhs raised some years ago. I would therefore adopt the British practice here and charge interest on the whole of the capital expenditure incurred on the construction of Railways, Irrigation and Electric Power Works to

the respective heads by credit as a receipt under the head "Interest." I would also charge under the head "Interest on debt" the interest on the balance of the Capitalisation Fund for mining revenue at 4 or 5 per cent as may be decided upon by *per contra* credit to the head Capitalisation Fund which will be a special deposit head. The balance of the fund will of course be utilised for capital expenditure, but the total amount at credit of the fund will be represented by a credit balance under the head. There is no necessity for two major heads under the group. The Interest on Unfunded Debt may also be charged to the same head but under a separate minor head, and the whole of the charges excluding those for Sinking Fund may be deducted from the receipts which may be shown net as explained already.

20. The head "Civil Furlough allowances" may be abolished altogether as no charges appear under the head. The *raison d'etre* of this head in British India is that large amounts are paid by the Secretary of State in England on account of the furlough allowances of civil officers of all the departments in India and while no object would be gained by distributing these allowances under the respective heads for the departments to which these officers belong, it is considered an advantage to show them all under one head, so that the total furlough allowances drawn may be known easily. It would also be troublesome for the Secretary of State to distribute the charges among the different heads. No such necessity or difficulty exists in Mysore.

21. A few political pensions and allowances for tombs, etc., are paid by the State and for these we have a separate major head "Allowances and Assignments under treaties and engagements." The Government of India spend large amounts every year on account of the allowances and they have therefore considered it necessary to have a special major head for them. But such amounts in Mysore are very small and I do not think it necessary to have a special major head for them. They may very well be exhibited under a separate minor head under the major head "Miscellaneous."

22. Most of the charges under the head "Scientific and other departments" have been transferred to special heads, namely, "Agriculture" and "Industries and Commerce." The only important charges which remain under the head now are those in connection with Mines and Geology, the Meteorological and Archæologial departments, Museum, Sericulture, Census, Examination, Public libraries, etc. Those in connection with Mining and Geology ought, as explained already, to be shown under the head "Charges against Mining Revenue." Sericulture should go under "Agriculture" and the other charges mentioned above may very well be shown under separate minor heads under the major head "Miscellaneous" and the major head "Scientific and other departments" may be abolished altogether. (9)

23. The head "Military works" may also be abolished and the charges shown under Army under a separate minor head. The charges are too insignificant to deserve a special major head.

24. The head "Reduction or Avoidance of Debt" is a misnomer. (10) The policy folt lowed by the Mysore State in regard to the Famine Insurance Grant is essentially differen- from that followed in British India. In the latter, the amount charged year by year on account of the Famine Insurance Grant is not funded at all. The theory in British India is that every year there should be a normal surplus equal to the average annual expenditure incurred in a series of years on account of famine, and if a surplus equal to this amount is maintained every year even if there is no famine, these surpluses will set off the deficit which is bound to occur when there is actually a famine, so that in the long run there will be financial equilibrium between the revenue and expenditure. The amount charged under the head "Reduction or Avoidance of Debt" is recredited to Government with the idea that the State is relieved from the necessity of borrowing to the extent of these amounts in normal years and therefore when there is actual famine and the Government is required to borrow a large amount, this large debt incurred can be set off against the amount which the State did not borrow in normal years on account of the prosecution of productive public works. The theory is based on the fact that the State has to borrow every year on account of its expenditure on productive public works which is invariably met from borrowed funds. In normal years therefore, its debt is less by the unspent balance of the famine grant of the year concerned, while in famine years it has to borrow more, so that in the long run, the total borrowing does

not exceed the total amount spent on productive public works. The Government of India assume that there will be no difficulty in raising the funds required to meet the necessities of famine and therefore do not keep any reserve for famine either in the shape of cash or as investments. The case of Mysore is however different. The Famine Insurance Grant has to be kept as a reserve in the shape of liquid securities and it is therefore no use recrediting the amount to Government under the head "Reduction or Avoidance of debt." The name of the head should be "Famine Insurance Grant" and the amount should be charged to it by *per contra* credit to a deposit head called Famine Reserve, which will be closed to balance year after year and this balance will always represent the amount at credit of the reserve maintained by the State to meet the necessities of famines. If any investments are made out of the reserve, it should be charged to a special debt head "Investments" and as this will always be closed to balance it will show the total amount invested out of the Famine Reserve and other funds of the State. It is necessary to hold the Famine Reserve under a debt head in order to know what the accumulated balance is and also that corresponding investments are held under the head "Investments." The investments out of the Famine Reserve need not however be kept under a separate head. Any expenditure actually incurred on Famine relief will be charged under the service head "Famine Relief" and a corresponding amount, if it is available from the Famine Reserve Fund, should be deducted under the expenditure head "Famine Insurance grant" by *per contra* debit to the debt head "Famine Reserve." If the whole reserve is exhausted and if any extra expenditure is incurred in excess of the balance of the fund such excess will of course remain charged to revenue under the head Famine Relief in the accounts of the year concerned.

25. Under Railway Revenue Account, the net traffic earnings of the M. & S. M. Ry. Co., and those of the State and State-worked Railways are at present shown under two different major heads. This distinction seems to me to be unnecessary and I would show the whole net revenue under one head, *viz.*, Railways. The details by railways will of course be shown under separate detailed heads in the Detailed Account which would show the net working result of each railway. On the expenditure side, the guaranteed interest to the M. & S. M. Ry. Co., is shown under a separate major head, while the miscellaneous railway expenditure is shown under a different major head. The charges would be deducted from the net earnings of the Railways as explained already. Both heads would then be minor heads on the receipt side. I would alter the name of the first head to 'Interest' and would show under it, all interest on Railway capital expenditure including the guaranteed interest mentioned above as well as that payable to the Bangalore-Chikballapur Railway Company, which is now shown under 'Miscellaneous Railway Expenditure.' The interest, apart from the guaranteed interest would be calculated on the balance of the capital expenditure excluding that on which guaranteed interest is paid. The rebate allowed should not be charged under 'Miscellaneous Railway Expenditure' but should be taken under the first minor head. All the charges for interest and surplus profits will thus be deducted from the net earnings and the net result shown as already explained either as a receipt or as expenditure according as it is a net profit or a net loss. The expenditure under the head "Miscellaneous Railway expenditure" consisting of general charges, and charges for surveys and lands for guaranteed railways will also be taken into account in calculating the net profit or net loss but will be shown as a separate item and not against any particular railways in the detailed accounts.

26. I would show the revenue of the Cauvery Power Scheme also net and would adjust the working expenses as well as interest and the payments to the Depreciation Fund by deduction from Revenue.

27. On the receipt side, there should be a head "Irrigation receipts" to show the portion of Land Revenue due to Irrigation, *i.e.*, the amount of extra revenue realised on account of Irrigation from the Irrigation Major works. This amount can be adjusted at the end of the year by deduction from the total receipts of the year under "Land Revenue." Even if the amount of this revenue cannot be accurately ascertained, an estimate like that published in the Administrative accounts of Irrigation works can be made and adjusted.

28. Irrigation Expenditure is now divided into two special heads, Major Works and Minor Works. Major Works are those which cost more than Rs. 2,500 and Minor Works

those which cost less. In future the head 'Major Works' should exhibit only the working expenses and the interest charges of really productive irrigation works, their capital expenditure being shown outside the revenue account under a special head under 'Capital Expenditure.' The interest charged will be the interest on the total amount spent up-to-date on the construction of reproductive major irrigation works, whether from borrowed funds or from surplus revenues. The net result of the Major Irrigation works on Revenue Account will be shown either on the receipt or expenditure side according as it is a net profit or a net loss to the State. Minor Works should exhibit both capital and revenue expenditure connected with all works which are unproductive and which should be invariably met from Revenue. This should be shown on the expenditure side under the group "Public Works."

29. Under "Capital Outlay not charged to Revenue," I would have only three heads, namely :—

1. Railways including tramways.
2. Irrigation works.
3. Electric works.

30. Under Debt, Deposits, etc., heads, I would have the following major heads :—

(1) Permanent Debt.
(2) Unfunded Debt.
(3) Investment Account.
(4) Reserve Funds.
(5) Local and other Funds.
(6) Deposits and Advances.
(7) Loans granted.
(8) Remittances.
(9) Cash Balance.

31. I would abolish the head "Adjustments" altogether. This merely shows the transfers of the one anna cess for local purposes to the respective local funds. There is no object in showing these adjustments on both sides of the accounts as receipts and expenditure. The amounts may be credited to the respective funds direct by transfer from a suspense head to which the cess may be credited in the first instance.

32. The appended Statements A and B, already referred to, shows how the Budget Estimates of the current year would have stood, if they had been prepared in accordance with these proposals.

33. Before indicating the broad lines on which the classification under minor and detailed heads may be recast, the anomalies in the existing heads may be illustrated by a few instances. These anomalies are the direct outcome of unnecessary elaboration in the classification without any object in view. The need for reclassification will then be readily admitted and the general principles on which receipts and charges are proposed to be grouped will be better appreciated. The present sub and detailed heads are the outcome of the absence of any general rule to serve as a guide for the creation of new heads or the abolition of existing ones. Under "15 General Administration, 8 Comptroller's Office," the salaries of officers are classified under the following six heads :—

1. Comptroller.
2. Assistant Comptroller.
3. Local Allowance.
4. Contribution towards pension and leave allowances.
5. Probationary Assistant Commissioner.
6. Chief Superintendent.

34. These six heads serve no purpose whatever. If such classification is pursued, there will be no limit to the multiplication of heads. Such a classification as the above, apart from increasing the work, has certain positive disadvantages. Without an extra column, the total charges on account of salaries of officers is not readily available. The charges under Comptroller, Assistant Comptroller or Probationary Assistant Commissioner may widely differ not only from the estimates, but also from the actuals of previous years. The rule

requires that the estimate should be based on the rate of pay that the officer may draw on the first day of the year to which the estimate relates, ignoring the increase in his pay or the increase in the actual charges due to absence on leave or acting arrangements; for, in framing estimates it is presumed that the savings due to absences will be counterbalanced by excesses on account of acting allowances. If, for instance, the Comptroller should be on any kind of leave, the actuals under the head "Comptroller" will exceed the estimate by the amount of the pay and allowances drawn by the officiating officer which will be sometimes considerable. On the other hand there will be savings on the Estimates under the other heads because the salaries drawn by the acting officers will be less than the Estimates. The actuals will be nearer the estimates and actuals of preceding years if the charges on account of all officers are shown together, for, increases in the charges under one particular appointment will be set off by savings under another and further, even if there be no causes to set off such excesses or deficiencies during the year, the increases and savings will be relatively small and not important in the aggregate. The greater the number of detailed heads the less useful are the figures for statistical or financial purposes. The law of averages will not hold when the figures are not viewed in the aggregate.

35. Under Administration there are three minor heads at present to show the charges on account of the Dewan and the Members of Council. I would combine all these into one. There is a separate minor head for the State Huzur Treasury. In another file I shall propose the total abolition of the Treasury. Even if a separate treasury is maintained, it is really a part of the Comptroller's Office and the charges should be shown under the minor head "Comptroller's Office." Charges on account of the distribution of portraits of His Highness the Maharaja should have been shown under "Miscellaneous" and not under a separate minor head under "General Administration." A separate minor head should never be opened under any major head for such small temporary and non-recurring charges.

36. Under "Law and Justice" there are at present ten minor heads:—

1. Chief Court.
2. Law Officers.
3. Civil and Sessions Courts.
4. Assistant Sessions and Sub-Judges' Courts.
5. Munsiffs' Courts.
6. Process Serving Establishment.
7. Courts of District and Bench Magistrates, Assistant Commissioners, Amildars and Deputy Amildars.
8. City Magistrates' Courts.
9. Kolar Gold Fields Assistant Commissioner and 1st Class Magistrate's Court.
10. Refunds.

So many minor heads are quite unnecessary. I would reduce them to 5, *viz.*,

1. Chief Court.
2. Law Officers.
3. District and Civil Courts.
4. Criminal Courts.
5. Refunds.

37. Under 'Jails' there are three minor heads, (1) Jails, (2) Jail Manufactures, and (3) Refunds.

A separate minor head for refunds is quite unnecessary.

Again the head 'Jails' is sub-divided into ten sub-heads, namely—

1. Superintendence.
2. Establishment.
3. Dietary charges.
4. Hospital charges.
5. Clothing and bedding of prisoners.
6. Sanitation charges and miscellaneous services and supplies.
7. Charges for moving prisoners.
8. Travelling allowances.
9. Contingent charges.
10. Petty construction and repairs.

I would substitute for these only three sub-heads, *viz.*,—

1. Superintendence.
2. Establishment and contingencies.
3. Special charges.

38. Under 'Police' instead of eight minor heads now existing, I would substitute only five, namely,—

1. Superintendence.
2. Criminal Investigation Department.
3. District and Town Police.
4. Railway Police.
5. Refunds.

As explained above I would transfer Kolar Gold Fields Police and the Special Detective Police in the Kolar Gold Fields to 'Charges against Mining Revenue.'

39. Under 'Education' I would abolish the minor heads for 'Book Department' and 'Oriental Library and Search for Sanskrit manuscripts' and show the charges under the minor head "Miscellaneous."

40. Under Education '7 Book Department—ii Kannada Translator,' there are only the following three appointments, *viz.*,

1. Translator on 75-10-125 with a local allowance of Rs. 25.
2. Proof reader and clerk, Rs. 20.
3. Temporary Assistant to the Translator, Rs. 40.

Each of these appointments has a separate head besides a head for Travelling Allowance under which the total charges are about Rs. 50 a year. The aggregate charge is about Rs. 2,000 and surely it is not necessary to have so many detailed heads, practically one for each appointment in such a small establishment. Such information is of no use either to Government or to any Department at any subsequent date.

41. Under 'Agriculture—4 Veterinary Charges, (*c*) Stud Farm' Kunigal, we have a detailed head "3 Establishment for breaking in horses, Non-commissioned officer—Rough rider, Rs. 15 per month or Rs. 180 a year." It is not clear why this small charge of Rs. 180 should be shown under a distinct head when all other Establishments, both permanent and temporary, are shown under a different head "1—Establishment."

42. Under "20 Medical, 2—Hospitals and Dispensaries, ix. Grants," there are six institutions which are given grants and each of the institutions has a separate head. It is clearly needless to show the individual grants in the Accounts. If these were indispensable, details of grants under other heads may be equally so.

43. The charges under a major head are divided and each of these divisions is again sub-divided and this sub-division is carried on sometimes to the fifth or sixth degree. Apart from making the accounts unintelligible, the work of compilation is made complicated. For example, the charges under 'Education' are classed into several minor heads one of which is '5—Government Schools, Special.' This latter is divided into—

i. Chamarajendra Technical Institute.
ii. Commercial School, Bangalore.
iii. Mechanical Engineering School, Bangalore
iv. Channapatna Industrial School.
v. District Industrial School.
vi. Other Industrial Schools and so on.

"Other Industrial Schools" is further divided into—

(*a*) Carpentry School, Hole-Narsipur;
(*b*) Industrial School, Sagar;
(*c*) Weaving School.

And each of these is again divided into half a dozen or more heads. The classification should stop at a certain stage and should seldom be carried beyond the fourth degree. The proper course would be to classify all the Industrial Schools together.

44. There are a few heads under which no revenue or expenditure appears and there are others, more numerous, under which the aggregate of all the amounts booked in a whole year do not amount to more than a few rupees. As instances of the former class may be cited "II Forests, 2 Timber and other produce removed by owners or purchasers, other items" or "22 Civil Furlough Allowance" and of the latter, "X2 Interest on arrears of Revenue, 5 Pension contribution" under which the receipts seldom exceed a rupee or two, "XIV Agriculture, 8 Miscellaneous, 1 sale proceeds of Co-operative Manual." I would abolish all such heads.

45. Charges incurred for printing departmental publications in private presses are shown under a separate minor head "4 Printing at Private presses" with detailed heads, one for each of the Departments to which the publication relates under "28 D Stationery and Printing.' Such charges should be included in the 'Contingencies' of the Department concerned as in all other cases and not brought under a separate head. Even if this be necessary, there is no need to further classify the charges according to the Department to which they relate, as it is not in accordance with any principle to classify charges of the Government Press by departments.

46. As regards those heads which are to be shown net, the deductions will be shown under one minor head, the minor heads being treated as sub or detailed heads as the case may be.

47. Each minor head on the Expenditure side should be broadly divided into the following five heads:—

1. Salaries.
2. Establishment.
3. Travelling Allowances.
4. Special Charges.
5. Contingencies.

48. There will be only one head "Salaries" to include the pay and allowances of all Gazetted Officers and no further classification will be made, one for each grade or class of officers as at present. In fact, the existing classification is not always consistent in this respect. There are several instances in which the pay of all Gazetted Officers is shown under one head, while there are many others in which it is exhibited under several separate heads corresponding to the grades of the officers.

49. The next head will be "Establishment" under which will appear pay and allowances of both permanent and temporary Establishment. There is no object in showing temporary Establishment separate from permanent Establishment. The distinction between permanent and temporary has no place in accounts, for the accounts are intended to show the cost of an Establishment employed on a particular work and not the conditions under which the employes are engaged.

50. It will be most often found that Temporary and Permanent Establishments are separately exhibited and sometimes included in the same head, *e.g.*, the Establishment under '19-A, Muzrai (i) Superintendence,' where the temporary and permanent establishment are shown separately, whereas under '18-Agriculture, (ii) Civil Veterinary Hospital and salaries, Permanent and Temporary Establishments are shown under the same head. Local Allowance is shown under Salaries in some cases, while it is shown under a separate head in other cases.

51. The details for both salaries and Establishment are always available in the Audit Office and no difficulty should be experienced in obtaining the necessary information whenever required. In fact, in the case of salaries and establishment, the basis of calculation as regards cost is generally the total of the product of the number in each grade and the rate of pay. The actuals seldom enter into the calculation and even if they should, they are not taken with reference to each class or grade of appointment. In offices where the menial staff is large, the cost may be shown under a separate head but this need not be done in small offices.

52. The head "Travelling Allowance" will include all kinds of allowances allowed for travelling for both officers and establishment. As the head of a department should have complete freedom in the distribution of the grant under this head, it is no use classifying the

charges further. He will be allowed to apportion the total grant less the fixed allowances under the proposed arrangement and against this apportionment the audit will be conducted. As regards Travelling allowance if further details are ever required, it will always be readily obtained from the Audit Registers maintained by the Comptroller's Office for the purpose, in which the charges on account of officers and establishment are separately recorded. This head will altogether be dropped in those cases in which the Establishment has no travelling to do or where the expenditure on account of travelling is occasional and is confined to Travelling Allowances drawn by officials transferred to that Establishment.

53. Under "Special charges" will be recorded all special expenditure which have been styled "special contingencies" in my note on Contingent Expenditure and for which Budget provision alone is not sufficient but which requires the special sanction of higher authority; generally, Government. The grouping under this head has been made only in cases of unimportant items. It has been sub-divided wherever necessary. It will also include generally the items at present classed under 'Supplies and Services' but not all of them as many items of contingent expenditure are now included in them. The head "Special Charges" will be confined to charges which cannot be classed under 'Contingencies' and are of an exceptional character and peculiar to the Department. This head has been further divided into several detailed heads wherever the charges are found to be of sufficient importance.

54. Contingencies will include both countersigned and contract contingencies.

55. The effect of the above re-arrangement is as shown below:—

(i) Instead of 27 major heads under Revenue and 45 under Expenditure, there will be 13 and 33 respectively, after providing for new heads for charges on account of the 'Economic Conference,' and for receipts on account of portion of Land Revenue due to Irrigation.

(ii) Instead of 392 minor heads there will be only 191 minor heads.

(iii) The decrease in the number of sub-heads and detailed heads will be very large and the great advantage of the revised classification will be its uniformity.

56. I append rough statements showing the classification I propose for future adoption. If the general principles are accepted by Government, I shall have the Civil Estimates for the current year reprinted according to the classification proposed by me. The matter is standing in the press and it will not give much trouble to have it corrected and in the course of the examination of the proofs, it will be possible to determine the detailed heads necessary with reference to the amounts brought to account under each. It will also greatly facilitate the preparation of the Civil Estimates for the next year.

57. In this connection, I would suggest another important change in the form of the Civil Estimates. At present full details of the salaries of gazetted and non-gazetted officers and menial establishment are given in the body of the Estimates. In the Actuals and the Revised Estimates, however, the total salaries and Establishment charges are shown and comparison is thus vitiated and the details given of the rates of pay increase the size of the Civil Estimates to an inordinate extent. I propose that these details may be relegated to an appendix. This appendix need have only two money columns namely, one each for the Budget Estimates of the current and past years and there will be two sets of columns on each page. It is not necessary to have separate columns for Revised Estimates of the past year or the Actuals of the previous year, as the details are not given under those columns at present, nor is it possible to give them. If my proposal is accepted, I shall have the appendix printed and submit it for approval. I think it will be possible to reduce the size of the Civil Estimates to about 80 pages in place of 211 at present.

58. I would also amalgamate the Civil, P. W., Railways and C. P. S. Estimates but I shall submit proposals for this separately. At present I request permission to re-cast the Civil Estimates in type.

59. I have shown this note to the Comptroller and he has expressed his cordial approval.

K. L. DATTA.

28-11-16.

APPENDIX A.

List of Major Heads of Revenue and Expenditure.

A. Principal heads of Revenue.	I. Land Revenue. II. Forest. III. Excise. IV. Miscellaneous Taxes. V. Stamps. VI. Registration.	A. Direct Demands on the Revenue.	1. Land Revenue. 2. Forest. 3. Excise. 4. Stamps. 5. Registration.
B. Surplus Revenue of Assigned Tract.	VII. Assigned Tracts Receipts.		
C. Mining Revenue ...	VIII. Mining Revenue Net.	C. Mining Revenue...	6. Capitalisation Fund.
D. Interest ...	IX. Interest.	D. Sinking Funds ...	7. Sinking Funds for Loans.
		E. Palace ...	8. Palace.
		F. Civil Administration.	9. General Administration. 10. Law and Justice—Courts o Law. 10A Do Jails. 11. Police. 12. Muzrai or Religious and Charitable Institutions. 13. Medical. 14. Sanitation and Vaccination 15. Superannuation Allowance and Pensions. 16. Stationery and Printing. 17. Miscellaneous.
		G. Public Works ...	18. Minor Irrigation Works. 19. Civil Works (net).
		H. Moral and Material Development.	20. Economic Conference. 21. Education. 22. Agriculture. 23. Industries and Commerce. 24. Grants for Public Improvements.
		I. Army and Defence	25. Army. 26. Subsidy to British Government.
		J. Famine Relief and Insurance.	27. Famine Relief. 28. Famine Insurance.
K. Railways—Revenue Account.	X. Net profit on Railway Revenue Account.	K. Railways ...	29. Net loss on Revenue Account of Railways.
L. Irrigation ...	XI. Productive Irrigation Works—Revenue Account—Net Profit.		30. Productive Irrigation Works Revenue Account—Net loss.
M. Cauvery Power Scheme.	XII. Net Earnings.		
N. Other Capital Works—Net Profit.	XIII. Kolar Gold Fields Water-supply—Net Earnings.		
		Total ...	
		Surplus + ; Deficit—	

GENERAL STATEMENT OF RECEIPTS AND

REVENUE.	Budget Estimate 1916-17	Revised Estimate 1915-16	Budget Estimate 1915-16	Accounts 1914-15
	Rs.	Rs.	Rs	Rs.
A. Principal Heads of Revenue ...	1,97,84,000	2,00,57,000	1,83,67,000	1,90,83,246
B. Surplus Revenue of Assigned Tract.	1,50,000	1,10,000	1,00,000	1,00,000
C. Mining Revenue—Net	16,82,000	17,14,000	16,85,000	17,00,659
D. Interest	20,81,000	20,38,000	16,85,000	23,94,997
K. Railways—Revenue Account—Net Profit.	...	38,000	...	1,66,208
L. Productive Irrigation Works—Revenue Account—Net Profit.	...	...	...	...
M. Cauvery Power Works—Net Profits...	13,27,000	11,40,000	13,27,000	6,46,351
N. Other Capital Works—Net receipts.	1,85,000	1,84,000	1,84,000	2,26,553
Total ...	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**
Surplus	**3,92,000**	**22,44,000**	...	**23,11,524**
Extraordinary Receipts	..	...	**7,00,000**	**8,22,940**
Debt, Deposit and Advances—				
Investment Account—Net ...	13,50,000	...	23,20,000	68,57,758
Permanent Debt—Net	...	...	...	...
Temporary Debt—Net	...	...	...	...
Unfunded Debt—Net	3,76,000	3,65,000	3,00,000	...
Reserve Funds—Net	15,33,000	15,33,000	15,33,000	15,33,000
Local and other funds—Net ...	3,59,000	25,44,000	...	1,33,916
Deposits and Advances—Net ...				
Loans Granted—Net	...	5,78,000	...	...
Remittances—Net	8,000	...	...	...
Total ...	**36,26,000**	**50,20,000**	**41,53,000**	**85,24,674**
Total ...	**2,92,27,000**	**3,25,45,000**	**2,82,01,000**	**3,59,77,152**
Opening Balance ...	69,85,000	72,27,000	56,99,000	1,01,08,057
GRAND TOTAL ...	**3,62,12,000**	**3,97,72,000**	**3,39,00,000**	**4,60,85,209**

DISBURSEMENTS FOR 1916-17.

EXPENDITURE.	Budget Estimate 1916-17	Revised Estimate 1915-16	Budget Estimate 1915-16	Accounts 1914-15
	Rs.	Rs.	Rs.	Rs.
A. Direct Demands on Revenue ...	34,77,000	33,46,000	33,61,000	35,06,443
C. Mining Revenue—Contribution to capitalisation Funds (a).	9,00,000	9,00,000	9,00,000	9,00,000
D. Sinking Fund	1,33,000	1,33,000	1,33,000	1,33,333
E. Palace	23,50,000	23,50,000	23,50,000	23,27,067
F. Civil Administration	54,21,000	50,58,000	52,60,000	51,14,618
G. Public Works—Net	29,14,000	30,02,000	29,61,000	25,43,932
H. Moral and Material Development ...	39,03,000	30,01,000	36,02,000	23,63,280
I. Army and Defence	51,19,000	47,75,000	50,58,000	47,70,900
J. Famine Relief and Insurance ...	2,00,000	2,00,000	2,00,000	2,00,057
K. Railways—Revenue Account—Net loss	27,000	...	1,98,000	...
L. Productive Irrigation Works—Revenue Account—Net loss (b).	3,73,000	2,72,000	2,62,000	1,46,860
Total ...	**2,48,17,000**	**2,30,37,000**	**2,42,85,000**	**2,20,06,490**
Surplus+Deficit— ...	**3,92,000**	**22,44,000**	**—9,37,000**	**23,11,524**
Total ...	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**
Revenue Deficit	...	...	**9,37,000**	...
Capiial Outlay not charged to Revenue	**53,46,000**	**67,88,000**	**72,66,000**	**89,88,780**
Extraordinary Expenditure... ...	...	...	...	**50,00,000**
Debt, Deposits and Advances—				
Investment Account—Net ...	...	7,03,000	...	...
Permanent Debt—Net	...	...	...	...
Temporary Debt—Net	...	...	...	5,00,568
Deposits and Advances—Net ..	...	...	3,40,000	...
Loans Granted —Net	5,56,000	...	3,18,000	14,825
Remittances—Net	...	15,000	67,000	36,484
Total ...	**5,56,000**	**7,18,000**	**7,25,000**	**5,51,877**
Total ...	**3,11,11,000**	**3,27,87,000**	**3,22,76,000**	**3,88,58,671**
Closing Balance ...	51,01,000	69,85,000	16,24,000	72,26,538
GRAND TOTAL	**3,62,12,000**	**3,97,72,000**	**3,39,00,000**	**4,60,85,209**

(a) Pending acceptance by Government of my suggestion about this, I have made a provision of nine lakhs under this head.

(b) See note (a) on next page.

List of Major, Minor, Sub and Detailed Heads under Receipts and Expenditure.

Receipts.

Major head	Minor head	Sub-head	Detailed head	Remarks
I. Land Revenue ...	1. Assessment on lands 2. Quit-rent of minor inam villages including Kayamgutta 3. Miscellaneous 4. Deduct refunds and assignments			It is not necessary to have a separate minor head for "Rent on toddy trees." The average annual receipts are about Rs. 3,000 only and they may be shown under "Miscellaneous."
II. Forest	1. Timber and other produce removed from forests by Government agency	(a) Timber (b) Sandalwood (c) Other minor produce		The receipts under (b) Firewood and charcoal and (c) Bamboos are too small to be shown separately. They may be lumped together under "other minor produce."
	2. Timber and other produce removed from forests by private agency	(a) Timber (b) Other produce		The receipts under Firewood and charcoal, bamboos, grazing and fodder grass will appear under "other produce." "Other items" is dropped as no item of receipt is classified under this head.
	3. Miscellaneous			Detailed heads under "Miscellaneous" are superfluous as the entire amount realized is under Rs. 30,000 and about Rs. 24,000 of these are shown under "other sources."
	4. Deduct Refunds			
III. Excise	1. Arrack	1. Duty	(a) Under proof (b) Over proof	The receipts from Special liquors, Foreign liquors, Beer, Akkiboja, Opium, Miscellaneous and Contributions are too small to have a separate minor head each. The revenue from all these sources will appear under one minor head "Other receipts". Further, details under the above heads are not necessary as the receipts under each are comparatively small and the aggregate receipts under all the heads are about a lakh and the revenue from these sources shows no tendency to increase.
		2. Shop-rent		
		3. Receipts on account of arrack shops in the cities of Bangalore and Mysore		
	2. Toddy	1. Date, cocoanut and palmyra trees	(a) Government Shop rent Tree tax (b) Inam (c) H. M. Territories	

Budget Estimates for 1916-17 according

	REVENUE	Budget Estimate 1916-17	Revised Estimate 1915-16	Budget Estimate 1915-16	Accounts 1914-15
		Rs.	Rs.	Rs.	Rs.
A.	**Principal Heads of Revenue—**				
	I. Land Revenue	1,01,67,000	1,00,65,000	1,02,35,000	98,06,368
	II. Forest	26,60,000	29,81,000	17,26,000	22,60,651
	III. Excise	54,25,000	54,32,000	49,30,000	54,89,032
	IV. Miscellaneous taxes	2,83,000	2,79,000	2,84,000	2,81,086
	V. Stamps	10,49,000	10,90,000	9,93,000	10,43,660
	VI. Registration	2,00,000	2,10,000	1,99,000	2,02,449
	Total ...	**1,97,84,000**	**2,00,57,000**	**1,83,67,000**	**1,90,83,246**
B.	VII. **Surplus Revenue of Assigned Tract**	**1,50,000**	**1,10,000**	**1,00,000**	**1,00,000**
C.	VIII. **Mining Revenue (Net)**	**16,82,000**	**17,14,000**	**16,85,000**	**17,00,659**
D.	IX. **Interest (Net)**	**20,81,000**	**20,38,000**	**16,85,000**	**23,94,997**
K.	**Railways-Revenue Account—**				
	X. **Net Profit on Railway Revenue Account**		**38,000**	...	**1,66,208**
L.	XI. **Productive Irrigation Works—Revenue Account—Net Profit** ...	...	...	...	...
M.	XII. **Cauvery Power Works-Net Profit** (*a*)	**13,27,000**	**11,40,000**	**13,27,000**	**6,46,351**
N.	**Other Capital Works Net**	...	...	...	...
	XIII. Kolar Gold Fields Water Works—(Net) (*b*)	1,85,000	1,84,000	1,84,000	2,26,553
	Grand Total	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**

(*a*) A part of these receipts are really creditable to the head "Irrigation" as due to the construction of the Cauvery Reservoir, bu as the principle on which additional revenue is to be distributed between Irrigation and Cauvery Power Scheme has not ye been decided, the whole of the receipts has been shown under this head.

(*b*) The gross figures are shown here as the amount of charges debitable are not shown separately in the accounts and estimates.

to the Revised Classification proposed.

EXPENDITURE	Budget Estimate 1916-17	Revised Estimate 1915-16	Budget Estimate 1915-16	Accounts 1914-15
	Rs.	Rs.	Rs.	Rs.
A. Direct Demands on Revenue—				
1. Land Revenue	20,22,000	19,29,000	19,77,000	18,38,528
2. Forest	9,40,000	9,26,000	8,84,000	11,78,832
3. Excise	3,56,000	3,50,000	3,59,000	3,49,011
4. Stamps	63,000	48,000	49,000	49,501
5. Registration	96,000	93,000	92,000	90,571
Total ...	**34,77,000**	**33,46,000**	**33,61,000**	**35,06,443**
C. Mining Revenue—				
6. Contribution to Capitalization Fund (*c*) ...	**9,00,000**	**9,00,000**	**9,00,000**	**9,00,000**
D. 7. Sinking Fund	**1,33,000**	**1,33,000**	**1,33,000**	**1,33,333**
E. 8. Palace	**23,50,000**	**23,50,000**	**23,50,000**	**23,27,067**
F. Civil Administration—				
9. General Administration	9,25,000	8,61,000	8,79,000	8,32,269
10. Law and Justice—Courts of Law ...	8,94,000	8,53,000	8,94,000	8,32,019
11. Do Jails	1,16,000	93,000	1,20,000	99,821
12. Police	10,57,000	10,25,000	10,41,000	10,22,806
13. Muzrai or Religious and Charitable Institutions	3,58,000	3,53,000	3,59,000	3,61,193
14. Medical	6,45,000	5,37,000	5,85,000	5,48,827
15. Sanitation and Vaccination	1,13,000	95,000	1,24,000	95,831
16. Superannuation allowances and pensions ...	8,03,000	7,64,000	8,11,000	7,73,315
17. Stationery and Printing	3,38,000	2,75,000	2,83,000	2,38,877
18. Miscellaneous	1,72,000	2,02,000	1,64,000	3,09,660
Total ...	**54,21,000**	**50,58,000**	**52,60,000**	**51,14,618**
G. Public Works—				
19. Minor Irrigation Works	8,64,000	7,73,000	8,89,000	4,17,633
20. Civil Works—(Net)	20,50,000	22,29,000	20,72,000	21,26,299
Total ...	**29,14,000**	**30,02,000**	**29,61,000**	**25,43,932**
H. Moral and Material Development—				
21. Economic Conference	2,88,000	2,16,000	2,51,000	1,97,872
22. Education	21,32,000	16,21,000	18,38,000	12,97,028
23. Agriculture	4,30,000	3,25,000	4,35,000	3,01,844
24. Industries and Commerce	78,000	1,77,000	1,77,000	71,444
25. Grants for public improvements ...	9,75,000	6,62,000	9,01,000	4,95,092
Total ...	**39,03,000**	**30,01,000**	**36,02,000**	**23,63,280**
I. Army and Defence—				
26. Army	16,19,000	12,75,000	15,58,000	12,70,900
27. Subsidy to British Government ...	35,00,000	35,00,000	35,00,000	35,00,000
Total ...	**51,19,000**	**47,75,000**	**50,58,000**	**47,70,900**
J. Famine Relief and Insurance—				
28. Famine Relief	...	...	...	57
29. Do Insurance	2,00,000	2,00,000	2,00,000	2,00,000
Total ...	**2,00,000**	**2,00,000**	**2,00,000**	**2,00,057**
K. Railways—				
30. **Net loss on Revenue Account ...**	**27,000**	...	**1,98,000**	...
L. 31. Productive Irrigation Works—Revenue Account—(Net loss) (*d*)	**3,73,000**	**2,72,000**	**2,62,000**	**1,46,860**
Total ...	**2,48,17,000**	**2,30,37,000**	**2,42,85,000**	**2,20,06,490**
Surplus + Deficit—	**3,92,000**	**22,44,000**	**—9,37,000**	**23,11,524**
Grand Total	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**

(*c*) Pending acceptance by Government of my suggestion about the creation of his fund, I have inserted Rs. 9,00,000 uuder the head

(*d*) See note (*a*)

III. Excise—*concld.*		2. Bagani toddy	(a) Shop-rent (b) Tree-tax	
	3. Other receipts	1. Ganja, Majum and Bhang	(a) Duty (b) Shop-rent	There is no object in classifying the revenue under each head separately as duty on Ganja, on Majum and on Bhang. They are at present bracketted together.
		2. Special liquors 3. Foreign ,, 4. Beer 5. Akki boja		
		6. Opium	(a) License fees (b) Gain on sale of opium	
		7. Miscellaneous		
	4. Deduct refunds and assignments			
IV. Miscellaneous Taxes ...	1. Mohatarfa in rural tracts 2. Assessment on vacant sites 3. Excise duty on cotton manufactures 4. Deduct Refunds			
V. Stamps	1. Sale of Stamps 2. Sale of Court-fee Stamps 3. Sale of stamped paper for copies 4. Sale of plain paper for Court purposes 5. Duty on impressing unstamped and insufficiently stamped documents 6. Miscellaneous 7. Deduct refunds			
VI. Registration ...	1. Registration and other fees 2. Deduct Refunds			The receipts from the heads "Penalties levied in Registry and Sub-Registry Offices and Fees for the Registration of Companies and Miscellaneous" amount ot about Rs. 10,000 in the aggregate and more than three fourths of this is shown under "Miscellaneous".
VII. Surplus Revenue of Assigned Tract.				

Receipts—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
VIII. Mining Royalty and leases.	1. Royalty 2. Other Receipts 3. Deduct charges	1. Geological Survey and Prospecting	(a) Salaries (b) Establishment (c) Travelling allowance (d) Special charges— 1. Library and Laboratory 2. Prospecting 3. Iron ore tests 4. Preparation of maps 5. Other charges (e) Contingencies	The minor head "Mines and Geology" is transferred from "21 Scientific and Minor Departments" to charges against "Mining Revenue". At present only 75 per cent of the charges under this minor head is transferred to charges against Mining Revenue. As the Department is solely intended for prospecting new mining areas and to supervise the mines already working, the entire charges ought to go against "Charges against Mining Revenue". The receipts under "Rent on prospecting lands and fines on assignments" will be classified under "Other receipts."
		2. Inspection of Mines and explosives	(a) Salaries (b) Establishment (c) Travelling allowance (d) Contingencies (e) Special charges	
		3. Kolar Gold Fields Police	(a) Salaries. (b) Establishment (c) Travelling allowance (d) Special charges— 1. Equipment and clothing 2. Secret service. 3. Reward for good service 4. Rearing blood hounds 5. Other charges (e) Contingencies.	
		4. Detective Police	(a) Establishment (b) Travelling allowance (c) Special charges— 1. Equipment and clothing 2. Secret service 3. Reward for good service	The receipts under "Contribution for detective Police" at Kolar Gold Fields by Mining Companies under Police and Assay fees and other items under Geological Department" should also be shown under Other Receipts as they are really derived from the Kolar Gold Fields Mining Board. In fact the propriety of this classification has been admitted in account No. 21 of the Finance and Revnue Accounts in which Assay Fees and other items are shown as Mining Revenue. All the above heads have been shown under one head as the receipts in
		5. Miscellaneous	(d) Contingencies	

				all cases are small and the revenue from most of them is either stationery or declining. Under Fines on assignments there have been no receipts for several years past.
IX. Interest	1. Interest on loans	1. Loans to encumbered Jaghirdars 2. Loans to Municipalities 3. Takavi loans and loans for Agricultural and Industrial purposes 4. Loans to Agricultural Banks 5. Other loans		Loans for agricultural and industrial purposes and Takavi loans which are alike in nature may be clubbed together. There has been no receipt under Other loans under which was included in previous years the single item of loan to Dawood Sab for building an ornamental workshop for brass and bell metal vessels. Hence '5 other loans' under this classification will include "Special loans and Loans to co-operative societies." Interest on over drawals by local bodies under which there is seldom any receipts may also be included under this head.
	2. Interest on arrears of Revenue	1. Land Revenue 2. Other receipts		Land Improvement loans which are administered by the same Department as Takavi loans and are granted with a similar object may be brought under (3) Takavi loans, etc., "Loans to Agricultural Banks" may also be dropped as the receipts amount only to a few thousands though the estimates are pitched high, based evidently on the accumulated arrears. As the issue of loans has been stopped the receipts will gradually dwindle. Interest on arrears of pension contributions seldom amounts to more than a rupee or two. As such it need not form a separate head. The amount may be credited to "Miscellaneous" 'Other items.'
	3. Interest on Investments	1. Interest on Government Securities and other investments 2. Dividends on shares in private companies		Dividend on shares which are really investments and are marketable in no way differs from Interest on Government securities and as such both are brought under "Interest." They are at present shown under a separate minor head under the major head "Miscellaneous."

Receipts—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
IX. Interest—*concld.* ...	4. Interest on Capital Expenditure	1. Railways 2. Irrigation Works 3. Cauvery Power Works		
	5. Deduct Interest paid	1. Interest on Permanent Debt 2. Do Temporary Debt 3. Do Unfunded Debt 4. Do Miscellaneous		
X. Railways-Net ...	1. Worked by companies	Gross earnings Deduct working expenses Interest Surplus profit Net		
	2. Do Government	i. Gross earnings	1. Tarikere-Narasimharajapuram tramway 2. Mysore-Arsikere Railway 3. Kolar District Railway 4. Bangalore-Chikballapur Light Railway	
		ii. Deduct— (a) Working expenses	1. Tarikere-Narasimharajapuram tramway 2. Mysore-Arsikere Railway 3. Kolar District Railway 4. Bangalore-Chikballapur Light Railway	
		(b) Interest	1. Tarikere-Narasimharajapuram tramway 2. Mysore-Arsikere Railway 3. Kolar District Railway 4. Bangalore-Chikballapur Light Railway	
		(c) Surplus profits	1. Kolar District Railway 2. Bangalore-Chikballapur Light Railway	
		iii. Net earnings	1. Tarikere-Narasimharajapuram Tramway 2. Mysore-Arsikere Railway 3. Kolar District Railway 4. Bangalore-Chikballapur Light Railway	

XI. Productive Irrigation works.	1. Direct Receipts 2. Portion of Land Revenue due to irrigation	Miscellaneous
	Deduct—	
	1. Interest on capital outlay 2. Working expenses	
XII. Cauvery Power Works —Net earnings.	1. Gross earnings	(a) Sivasamudram-Kolar Section. (b) Bangalore City Section (c) Civil and Military Station Section (d) Mysore City Section
	2. Transfers from the Depreciation Fund	(a) Sivasamudram-Kolar Section (b) Bangalore City Section (c) Civil and Military Station Section (d) Mysore City Section
	Deduct—	
	1. Working expenses	(a) Sivasamudram-Kolar Section (b) Bangalore City Section (c) Civil and Military Station Section (d) Mysore City Section
	2. Contribution to Depreciation Fund	(a) Sivasamudram-Kolar Section (b) Bangalore City Section (c) Civil and Military Station Section (d) Mysore City Section
	3. Interest	(a) Sivasamudram-Kolar Section (b) Bangalore City Section (c) Civil and Military Station Section (d) Mysore City Section
	4. Expenditure out of Depreciation Fund	(a) Sivasamudram-Kolar Section (b) Bangalore City Section (c) Civil and Military Station Section (d) Mysore City Section
XIII. Kolar Gold Fields Water Works—Net.	1. Gross Receipts 2. Deduct Expenditure	1. Maintenance 2. Interest

Expenditure.

Major head	Minor head	Sub-head	Detailed head	Remarks
I. Land Revenue ...	1. Revenue Commissioner	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges		
	2. Charges of District Administration			
	i. General Establishment	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges		The existing minor head "6 District Survey Establishment" will cease to be a minor head. It is really part of the Deputy Commissioners' Establishment and as such the charges on account of the former will be shown under the corresponding head of the latter.
	ii. Taluk Establishment	1. Amildars and Desuty Amildars 2. Taluk Cutcherries' Establishments 3. Village Establishments 4. Travelling allowance 5. Contingencies	Fixed contingencies Other charges	
	iii. Special charges	1. Revenue Process service charges 2. Charges for remitting treasure within District 3. Compensation for lands taken up for revenue purposes	-	The other detailed heads under "iii supplies and services" will appear under "ii Taluk Establishment—5 contingencies" other charges.
	iv. Establishment for channels and tanks			
	v. Remuneration to Shanbhogs and Patels			As this is really part of District administration charges, it has not been shown as a separate minor head.
	3. Revenue Survey and Settlement Department	1. Salaries 2. Establishment 3. Travelling allowances 4. Office expenses and miscellaneous 5. Special charges		
		6. Inam Department charges	1. Establishment 2. Office expenses and miscellaneous	The present minor head "6 Inam Department" has been shown as a detailed head under "4 Revenue Survey and Settlement Department" as it is really

				part of that Department. Further classification is unnecessary as the entire charges under the head has been under Rs. 4,000.
II. Forest	A. Conservancy and Works	1. Timber and other produce removed by Government Agency	(a) Timber (b) Sandalwood (c) Other produce	These heads correspond to the heads under Revenue.
		2. Timber and other produce removed by private agency		
		3. Live and dead stock	(a) Purchase of cattle (b) Feed and keep of cattle (c) Plant tools and instruments	
		4. Communications and buildings	(a) Roads (b) Buildings (c) Other works	
		5. Demarcation Improvement and Extension of Forests	(a) Demarcation (b) Compensation for lands and rights (c) Surveys (d) Working plans (e) Sowing and planting (f) Protection from fires (g) Other works	
		6. Special charges	(a) Kumsi cultivation (b) Khedda operations (c) Other charges	
	B. Establishment	1. Salaries 2. Establishment 3. Scholarships 4. Travelling allowance 5. Contingencies		The minor head "C Game Preserves" will cease to be a separate head. The charges under this head will be shown under the corresponding detailed head under "B. Establishment." Though this establishment is not primarily intended for either conservation or exploitation of forests, the charges are too small to vitiate the proportion of establishment charges to Revenue if the former include charges on account of "Game Preserves" also.
III. Excise	1. Superintendence	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges		

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
	2. District Executive Establishment	1. Salaries		
		2. Establishment	(a) District Establishment	
		3. Travelling allowance.	(b) Taluk Establishment	
		4. Special charges	(a) Remuneration to contractors for carrying liquor from distillery to Bonded Depot	
			(b) Purchase of instruments and plant	
			(c) Secret service and rewards	
			(d) Uniforms	
			(e) Other charges	
		5. Contingencies		
	3. Distillery Establishment	1. Distillery staff		
		2. Travelling allowance		
		3. Contingencies		
IV. Stamps	1. Superintendence	1. Establishment		
		2. Cost of paper and stamps		
		3. Contingencies		
	2. Stamp Manufactory	1. Establishment		
		2. Machinery, dies and ink		
		3. Contingencies		
	3. Discount on sale of stamps and plain paper			
V. Registration ...	1. Superintendence	1. Salary		
		2. Establishment		
		3. Travelling allowance		
		4. Contingencies		
	2. District charges	1. Establishment		
		2. Travelling allowance		
		3. Contingencies	(a) Contingencies	
VI. Charges against Mining Revenue.	Capitalisation Fund		(b) Section writing and copying	
VII. Sinking Funds				
VIII. Palace ...	1. Civil List			
	2. Pensions to the Ruling Family	1. Maharajakumar Sir Sri Kantirava Narasimharaja Wadiyar, G.C.I.E,		

		2. Maharajakumari Jayalakshmammanni Avaru 3. Maharajakumari Cheluvajammanni Avaru 4. Dese Arasinavaru		
IX. General Administration.	1. Staff and house-hold of His Highness the Maharaja	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges	1. Livery and clothing 2. Palace lighting 3. Maintenance of saloon 4. Carriages	Includes pay of Aide-de-camp, Military Secretary, Private Secretary and Durbar Physician.
	2. Dewan and Members of Council	1. Salaries 2. Tour charges 3. Official Residences	(a) Establishment (b) Improvements to buildings (c) Other charges	
		4. Conveyances-Motor cars and carriages for the Dewan and Members of Council	(a) Purchase of motor cars and carriages (b) Maintenance, establishment, upkeep and repair charges	
	3. Legislative Council	Travelling allowance to non-official Members of Legislative Council		
	4. Civil Secretariats	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges		
	5. Comptroller's Office	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges		The present minor head "State Huzur Treasury" has been dropped as it is part of the Comptroller's Office.
	6. Reception and entertainment of Guests	1. Guests Houses	A. Under the General Secretary.— (a) Establishment (b) Improvements to buildings (c) Other charges B. Under the Military Secretary.— (a) Establishment (b) Improvements to buildings (c) Other charges	

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
		2. Carriages and motor cars for guests	A. Under the General Secretary—	
			(a) Establishment	
			(b) Maintenance charges	
			(c) Other charges	
			B. Under the Military Secretary—	
			(a) Establishment	
			(b) Maintenance of Government Stables	
			(c) Purchase of horses	
			(d) Repairs and renewal of carriages, harness, etc.	
			(e) Liveries and clothing of servants	
			(f) Other charges	
		3. Catering and Miscellaneous	A. Under the General Secretary—	
			(a) Entertainment of Indian Guests	
			(b) Reception of Important personages	
			B. Under the Military Secretary—	
			(a) Entertainment of Guests-Europeans	
			(b) Entertainment of Guests-Shikari charges	
		4. Viceregal Reception charges		
	7. Durbar presents			
10. Law and Justice—Courts of Law	1. Chief Court	1. Salaries		
		2. Establishment		
		3. Travelling allowance		
		4. Special charges	(a) Batta to witnesses	
			(b) Remuneration to copyists and Examiners	
			(c) Other charges	
		5. Contingencies		

2. Law Officers	1. Chief Court Law officers	(a) Salaries (b) Establishment (c) Travelling allowance (d) Fees to Advocates (e) Law charges (f) Contingencies	
	2. Mofussil Establishment	(a) Salaries (b) Travelling allowance (c) Fees in Government cases (d) Law charges	
3. Civil and Sessions and other Civil Courts	1. Salaries 2. Superior Establishment Menial do 3. Travelling allowance		4 Assistant Sessions and Sub-Judges' Courts and 5 Munsiffs' Courts are not shown as separate Minor heads as they come under "Civil Courts." No such classification is adopted in Madras.
	4. Special charges	(a) Batta to prosecutors and witnesses (b) Remuneration to copyists and examiners (c) Law charges	
	5. Contingencies		
	6. Process serving establishment	1. Superior Establishment Menial Do 2. Office expenses and Miscellaneous	
4. Criminal Courts	1. Salaries 2. Superior establishment Menial do 3. Travelling allowance		
	4. Special charges	(1) Conveyance allowance to Chairmen of Bench Magistrates' Courts (2) Batta to prosecutors and witnesses (3) Remuneration to copyists (4) Other charges	Refunds may be included under other charges.
	5. Contingencies 6. Charges transferred from Land Revenue		
Deduct receipts	1. Fees, fines and forfeitures 2. Miscellaneous		"Miscellaneous" will include the existing head "sale proceeds of unclaimed and escheated property and recoveries on account of pauper suits" as the receipts from these two sources amount to about Rs. 5,000 only.

Major head	Minor head	Sub-head	Detailed head	Remarks
10A. Law and Justice—Jails	1. Jails	1. Superintendence	(a) Establishment (b) Travelling allowance (c) Other charges	
		2. Establishment	(a) Salaries (b) Establishment (c) Travelling allowance (d) Contingencies	Includes Medical, Warder, Clerical, Mechanical and Menial Establishments.
		3. Special charges	(1) Rations and dietary charges (2) Hospital charges (3) Clothing and bedding (4) Sanitation charges (5) Charges for moving prisoners (6) Petty construction and repairs (7) Other charges	
		4. Deduct receipts— 1. Receipts of Jail labour 2. Miscellaneous		
	2. Jail Manufactures	1. Purchase of materials 2. Other charges Deduct receipts 3. Jail manufactures		The head receipts of Jail labour also includes "Proceeds of Jail gardens and hire of convicts as these receipts are also the outcome of the jail labour. The receipts from these sources are too small to be exhibited separately. Sale proceeds of weights and measures which must gradually dwindle down should not form a separate head. It should appear under "Miscellaneous." The receipts from "cost of maintenance of Civil and Military station prisoners" will appear under Miscellaneous as the receipts are too small. Sale proceeds of Jail manufactures which are at present lumped together with "Receipts of Jail labour" should be shown separately as the charges for raw materials, etc., for jail manufactures are shown separately from other charges on of account of jails. In fact Jail manufactures is a department practically quite distinct from other receipts and charges connected with jails.

11. Police	1. Superintendence	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5. Contingencies		
	2. Criminal Investigation Department	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies		
	3. Police Force	1. Salaries 2. Police force 3. Allowances 4. Establishment 5. Travelling allowance 6. Special charges 7. Contingencies	(a) Purchase of breachloading carbines (b) Equipment and clothing (c) Other charges (a) Fixed contingencies (b) Other do	
	4. Police Training School	1. Establishment 2. Other charges		
	5. Railway Police	1. Police Force 2. Travelling allowance 3. Other charges		
	Deduct Miscellaneous Receipts			Seven-tenths share of Railway Police will appear as a reduction of expenditure under "Police" as the receipt is towards a specific charge. Contribution for detective police at K. G. F. is shown under "Mining Royalty and leases." This is not shown as a reduction of expenditure as in the case of 7/10 share derived from Railway company as the gross receipts and gross charges appear under "Mining Royalty and leases." The revenue from all the remaining 8 heads amounts to about Rs. 5,000 of which one-fifth represents the receipts under "Miscellaneous."
12. Muzrai or Religious Charitable Institutions.	1. Superintendence	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies		

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
	2. Endowments and charitable allowances	1. Endowments to chattrams 2. Do temples 3. Do mattas 4. Do Muzrai Institutions under Palace management 5. Endowments to Mahamadan Institutions 6. Charitable allowances		Charges on account of Khazi, Kodagi, sandalwood, and gograss allowances are too small to have a separate head for each
		7. Muzrai stipend 8. Grants-in-aid		
	3. Construction and repairs			
	4. Ayurvedic college, Mysore	1. Establishment 2. Scholarship to pupils 3. Office expenses and miscellaneous		
13. Medical	1. Medical Establishment	i. Superintendence	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies	
		ii. District Medical and Sanitary Officer	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges— Diets to patients Hospital necessaries Other charges 5. Contingencies	
	2. Hospitals and Dispensaries	i. Victoria Hospital, Bangalore	1. Salaries 2. Establishment 3. Special charges— Diet to patients Mansfield oil gas Bedding and clothing Hospital necessaries Other charges 4. Contingencies	

13. Medical—concld. ...	2. Hospitals and Dispensaries—concld	ii. General Hospital, Mysore	1. Salaries 2. Establishment 3. Special charges— (a) Diet to patients (b) Hospital necessaries (c) Other charges 4. Contingencies
		iii. Maternity Hospital	1. Salaries 2. Superior Establishment Menial do 3. Special charges— (a) Diet to patients (b) Other charges 4. Contingencies
		iv. Minto Ophthalmic Hospital	1. Salaries 2. Superior establishment Menial do 5. Special charges— (a) Diet to patients (b) Bedding and clothing (c) Electric lighting (d) Other charges 4. Contingencies
		v. Leper Hospital	1. Superior establishment Menial do 2. Special charges— (a) Diet to patients (b) Other charges 3. Contingencies
		vi. Malleswaram and Basavangudi Dispensaries	1. Establishment Superior Do Menial 2. Contingencies
		vii. Kolar Gold Fields Civil Hospital	1. Salaries 2. Superior establishment Menial do 3. Special charges— (a) Diet to patients (b) Other charges 4. Contingencies
		viii. Maternity Hospital, Robertsonpet	1. Salaries 2. Superior estabishment Menial do 3. Special charges— (a) Diet to patients (b) Other charges 4. Contingencies

Expenditure—*contd.*

Major heads	Minor heads	Sub-heads	Detailed heads	Remarks
		ix. Grants to Hospitals and Dispensaries		There is no object in mentioning the grant to each Hospital and allotting a separate head for each.
		x. Local Fund Dispensaries	1. Establishment superior Do menial 2. Special charges— (a) Diet to patients (b) Bedding and clothing (c) Country medicines 3. Office expenses and miscellaneous	
	3. Medical Stores	1. Establishment superior Do menial 2. Europe medicines 3. Country do 4. Quinine 5. Carriage of medicines 6. Contingencies		
	4. Lunatic Asylum	1. Salaries 2. Establishment 3. Special charges	1. Diet to patients 2. Bedding and clothing 3. Asylum necessaries 4. Other charges	
		4. Contingencies		
	5. Medical scholarship			Scholarships for different grades of study need not be separately classified.
	6. Deduct receipts	1. Contributions 2. Hospital receipts 3. Miscellaneous		Contributions from Municipal funds, Contributions from District funds and Contributions from Sanitary Board, Kolar Gold Fields are included under "Contributions" as the receipts of the 1st two heads are shown together though there are two minor heads and the 3rd is only a municipal board like any other Municipal Fund, though under a different name. It is also unnecessary to show the funds from which the revenue is derived when the nature of the receipts is already indicated. Excluding Hospital receipts and contributions from the

				several sources, the entire estimated revenue under the other heads amount to less than Rs. 11,000 of which Rs. 3,000 is under Miscellaneous. These heads have hence been omitted. The Revenue hitherto shown against these heads will appear under "Miscellaneous.
14. Sanitation and Vaccination.	1. Sanitary Commissioner	1. Superior establishment Menial establishment 2. Travelling allowances 3. Contingencies		
	2. Public Health Institute	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5. Contingencies	(a) Apparatus and chemicals (b) Public lectures and demonstrations	
	3. Vaccine Institute	1. Salaries 2. Establishment 3. Special charges 4. Contingencies	(a) Cost of calves (b) Other charges	
	4. District charge	1. Salaries 2. Establishment 3. Travelling allowance 4. Office expenses and miscellaneous		
	5. Deduct receipts	1. Vaccination receipts 2. Plague receipts 3. Receipts of the Sanitary School 4. Contributions	1. Sale of lanoline vaccination lymph 2. Vaccinated calves	
15. Superannuation Allowances and Pensions	1. Superannuation and Retired allowance 2. Compensation allowance 3. Gratuities 4. Deduct Contributions for pensions			
16. Stationery and Printing	1. Stationary Depot	1. Establishment 2 Cost of printing paper and stationary for public departments 3. Contingencies		

Expenditure—*contd.*

Major head	Minor head	Sub-heads	Detailed heads	Remarks
	2. Printing and Gazette Office	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges	1. Cost of electric power 2. Purchase of machines 3. Purchase of materials and types	
	3. Refunds 4. Deduct receipts	5. Contingencies		The present minor head "Printing at Private Presses" under which is included the cost of work done for the Geological Department and of the Archæological Department will be dropped and the charges included in the Contingencies of the officers concerned.
		1. Stationery Receipts 2. Sale of Gazettes	1. Subscription to Gazette 2. Sale of raiyats' receipt books 3. Other receipts	
		3. Other Press receipts		
17. Miscellaneous	1. Donations to Public Institution			
	2. Miscellaneous establishment	(1) 1st and 2nd Class Travellers' Bangalows	1. Establishment 2. Furniture and crokery 3. Contingencies	
		(2) Hill Stations	1. Establishment 2. Improvements to buildings 3. Contingencies	
		(3) Irrigation wells Establishment	1. Establishment 2. Allowances	
		(4) Other petty Establishment		
	3. Meteorological Department	1. Salary 2. Establishment 3. Office expenses and miscellaneous		
	4. Archæological Department	1. Salary 2. Establishment 3. Travelling allowance 4. Special charges 5. Contingencies		
	5. Museum	1. Establishment 2. Special charges 3. Contingencies		

6. Census	1. General Census	
	2. Quinquennial cattle census	
7. Ethnographical Survey	1. Establishment	
	2. Office expenses and miscellaneous	
8. Examinations	1. Local Service Examinations	
		1. Establishment
		2. Fees to examiners
		3. Office expenses and miscellaneous
	2. Civil Service Examinations	4. Refunds of examination fees
	3. Government Technical Examinations	
9. Public Libraries	1. Establishment	
	2. Books and journals	
	3. Office expenses and miscellaneous	
10. Political pensions	1. Allowances to the families of Sirdars and officers of the late Hyder Ali Khan and Tippu Sultan's courts	
	2. Pallegars	
	3. Sarjapur stipendiaries	
	4. Mutforkhat pensions	
11. Assignments under Treaties and Engagement	1. Allowances to Tombs, Gumbaz and Mausoleum of Hyder Ali Khan and Tippu Sultan and Masjids at Seringapatam	
	2. Cemetry Establishment at Seringapatam	
12. Miscellaneous	1. Charges for remittance of treasure beyond districts	
	2. Bank charges	
	3. Loss on exchange on remittance from Messrs. Coutts and Co., London	
	4. Books and Periodicals	
	5. Internment of paupers	
	6. Irrecoverable loans written off	
	7. Rewards for destruction of wild animals	
	8. Purchase and repair of tents	
	9. Lands	
	10. Miscellaneous charges for the treatment of patients at the Pasteur Institute at Coonoor	
	11. Miscellaneous and unforeseen charges	

Major head	Minor head	Sub-head	Detailed head	Remarks
17. Miscellaneous—*contd.*	13. Refunds	1. Unclaimed and lapsed deposits		
		2. Other items		
	14. Deduct receipts	1. Examination fees	1. Local Service and Pleaders examination fees	The receipts under "Tolls" and receipts from "Staging Bungalows" will appear under Public Works receipts. Duty on cotton goods showed be shown under IV Miscellaneous taxes.
			2. Civil Service	
			3. Government Technical examination	The receipts on account of treasure trove, premium on supply bills and fees for Government audits are too small to deserve separate minor heads. They may be shown under the minor head "Miscellaneous."
		2. Public laborary receipts		
		3. Unclaimed deposits		
		4. Sale of land, houses, etc.		
		5. Miscellaneous	1. Sale of old stores and Materials	
			2. Salt	
			3. Miscellaneous fees, fines and forfeitures	
			4. Other receipts	
18. Minor Irrigation works	1. Original works			
	2. Repairs			
	3. Establishment			
	4. Tools and plant			
	5. Supense			
19. Civil Works ...	1. Buildings	(a) Original works		
		(b) Repairs		
	2. Communications	(a) Original works		
		(b) Repairs		
	3. Miscellaneous Public Improvements	(a) Original works		
		(b) Repairs		
	4. Establishment			
	5. Tools and plant			
	6. Suspense			
	Deduct receipts	1. Tools		
		2. Other heads		
20. Economic Conference ...	i. General Conference	1. Headquarters	*a.* Salaries	
			b. Establishment	
			c. Travelling allowance	
			d. Special charges	
			e. Contingencies	

	2. District Committees	*a.* Salaries *b.* Establishment *c.* Travelling allowance *d.* Special charges *e.* Contingencies
	3. Grants to Progress Committees	
	4. Economic Journal	*a.* Salaries *b.* Establishment *c.* Travelling allowance *d.* Printing charges including cost of paper and blocks. *e.* Remuneration for contributions *f.* Other special charges *g.* Contingencies
ii. Industries and Commerce Committee	1. Salaries 2. Establishment 3. Travelling allowance	
	4. Special charges	1. Experiments 2. Payment for expert opinion 3. Stipends
	5. Contingencies	
iii. Agricultural Committee	1. Salaries 2. Establishment 3. Travelling allowance	
	4. Special charges	1. Experiments 2. Payment for expert opinion 3. Grants to Agricultural Associations and Co-operative Societies. 4. Honoraria for translation 5. ,, ,, lectures 6. Scholarships to sons of raiyats. 7. Seeds and Implements 8. Other charges
	5. Contingencies	
iv. Education Committee	1. Salaries 2. Establishment. 3. Travelling allowance. 4. Special charges.—	1. Honoraria for translation 2. ,, ,, for lectures 3. Payment for expert opinion 4. Other charges
	5. Contingencies.	

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
	v. Deduct—Receipts	Subscirption to the Economic journal		
20. Educatio ...	1. Mysore University			
	2. Supervision	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies 5. Special charges		This head will include both "Direction" and Inspection
	3. Government Colleges-General	1. Arts Colleges	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5. Contingencies	
		2. Her Highness the Maharani's Girls College	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5. Contingencies	
		3. Chamarajendra Sanskrit College	1. Establishment 2. Office expenses and miscellaneous	
	4. Government Schools—General	1. High Schools	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5, Contingencies	This head will include both English and Kannada High Schools. The Kannada High Schools are so few and the total cost is so small that there is no object in classifying them separately
		2. Anglo-Vernacular Schools	1. Establishment 2. Travelling allowance 3. Special charges 4. Contingencies	This head will include all Anglo-Vernacular Schools whether it be Anglo-Kannda, Anglo-Sanskrit or Anglo-Hindustani Schools
		3. Vernacular Schools	1. Establishment 2. Travelling allowance 3. Special charges 4. Contingencies	Further classification into Kannada and Telugu Boys Schools, Hindustani Boys Schools, Kannada Girls Schools, and Hindustani Girls Schools, is dropped

	4. Panchama Boarding Schools	1. Establishment 2. Special charges.— (a) Bording and clothing (b) Materials for Industrial classes 3. Contingencies	
5. Government School Special	1. Chamarajendra Technical Institute .	1. Salaries 2. Establishment 3. Travelling allowance including excursion charges 4. Special charges.— Grant to Students' Home Materials Other charges 5. Contingencies 6. Scholarships	
	2. Commercial School, Bangalore	1. Salaries 2. Establishment 3. Special charges.— (a) Honoraria for special course of instruction (b) Training of teachers 4. Contingencies	
	3. Mechanical Engineering School, Bangalore	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges.— Materials for Work Shop 5. Contingencies 6. Scholarship including subsistence allowance to students under practical training	Charges in connection with evening classes will appear under 4 or 5 according to the nature of the charges
	4. Industrial Schools	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges.— (a) Materials (b) Charges for equipment (c) Honoraria for special instruction (d) Temporary wages (e) Training of teachers (f) Other charges 5. Contingencies 6. Scholarships	At present each industrial school is classified separately. Most of these schools are small institutions and since they serve the same object such classification serves no object

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
		5. Normal Schools		
		i. Training College, Mysore	1. Salaries	
			2. Establishment	
			3. Special charges	
			(a) Honoraria for special lectures	
			(b) Other charges	
			4. Contingencies	
		ii. District Normal Schools	1. Establishment	
			2. Special charges	
			3. Contingencies	
		6. Vacation class		
		7. Instruction in practical Agriculture	1. Establishment	
			2. Special charges	
			3. Contingencies	
		8. Kindergarten Instruction	1. Salaries	
			2. Establishment	
			3. Contingencies	
		9. Manual Instruction	1. Establishment	
			2. Special charges	
			3. Contingencies	
	6. Book Department	1. Central Book Depot	1. Establishments	
			2. Special charges	
			(a) Encouragement to Authors	
			(b) Books and maps	
			(c) School journals	
			3. Contingencies	
		2. Kannada Translator	1. Establishment	
			2. Contingencies	
	7. Oriental Library and search for Manuscripts.	1. Salaries		
		2. Establishment		
		3. Special charges		
		4. Contingencies		
	8. Grant-in-aid	1. Grant-in-aid to the Indian Institue of Science		
		2. Hindu University		
		3. Salary and rent		
		4. Building grants		
		5. Grant-in-aid to Village School Fund		
		6. Other grants		

	9. Scholarships	i. Within the State	1. In colleges and High Schools General	
			2. In H. H. the Maharani 's Girls' College	
			3. In Chamarajendra Sanskrit College	
			4. In Govt. Schools-Special	
			5. Pallegar and Mahomedan Scholarships	
			6. Scholarship to widows	
			7. do Girls	
		ii. Outside the State	1. In Arts Colleges	
			2. In Engineering Colleges	
			3. In Medical Colleges	
			4. In Tachnical Schools	
		iii. Foreign Scholarships		
		iv. Special Scholarship		
		v. Other Scholarships		
	10. Miscellaneous	1. Municipal taxes and water rate		Medical examination in schools will be shown under "Medical." Charges on account of compulsory education and substitute for graduate teachers against the respective schools or under "Supervision" as the case may be.
		2. Miscellaneous Estt.		
		3. Agricultural Education in rural Schools		
		4. Secondary Schools Leaving Certificate		
	11. Deduct Receipts	1. School Fees	1. Fees from Colleges	
			2. ,, Govenment Schools General	
			3. ,, A.-V. and Vernacular schools	
			4. ,, from Schools Special	
		2. Industrial School Receipts		Contributions from the several sources have been shown under one head without further classifications as at present.
		3. Sale proceeds of School books, maps and other publications		
		4. Contributions		
		5. Miscellaneous		Miscellaneous and examination fees have been clubbed together and shown as "Miscellaneous receipts"
22. Agriculture ...	1. Agricultural Department	i. Direction	1. Salaries	
			2. Establishment	
			3. Travelling allowance	
			4. Contingencies	
		ii. Scientific Assistants		
		1. Salaries		
		2. Establishment		
		3. Travelling allowance		
		4. Special charges	(*a*) Apparatus and Chemicals	
			(*b*) Gas house charges.	
		5. Contingencies		

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
		iii. Agricultural Instruction	(1) Establishment (2) Travelling allowance (3) Special charges.— (a) Apparatus and chemicals (b) Short course expenses (c) Other charges (4) Contingencies	There is no object in classifying the charges under the head with reference to each school.
		iv. Demonstration and Experiments—		
		(*a*) General demonstration work	(1) Salaries (2) Establishment (3) Travelling allowance (4) Contingencies	
		(*b*) Farms	(1) Establishment (2) Travelling allowance (3) Special charges.— (a) Purchase and transport of materials (b) Seed and manure (4) Contingencies.	
		(*c*) Diary and breeding station		
		(*d*) Exhibition and Demonstration of Improved methods		
		(*e*) Implement Depot		
		v. Miscellaneous	1. Contribution towards pay of planting expert 2. Remedial measures against insect pests	
		vi. Deduct-receipts		
	2. Botanical and Other Gardens	i. Superintendence	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies	
		ii. Botanical gardens, Bangalore	1. Establishment 2. Special charges (*a*) Managarie and Aviary (*b*) Seeds and Plant	

		(c) Animals (d) Horticultural Show (e) Construction and repairs 3. Contingencies
	iii. Parks and Minor gardens	1. Establishment 2. Office expenses and miscellaneous
	iv. Deduct-receipts	
3. Experimental fruit cultivation	1. Establishment 2. Other charges 3. Deduct-receipts	
4. Veterinary charges	i. Superintendence	1. Salaries 2. Establishment 3. Travelling allowance 4. Contingencies
	ii. Civil Veterinary Hospital and Dispensaries.	1. Establishment 2. Travelling allowance 3. Special charges— (a) Hospital necessaries (b) Purchase and maintenance of breeding bulls 4. Contingencies 5. Deduct-receipts
	iii. Breeding operations	
	(a) Amrit Mahal Department	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5. Office expenses and miscellaneous 6. Duduct-receipts
	(b) Kunigal Stud Farm	1. Establishment 2. Travelling allowance 3. Special charges (a) Purchase of stock (b) Feed and keep of live stock (c) Farm expenses (d) Other charges 4. Deduct-receipts

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
	5. Public Exhibitions and Fairs.	1. Salaries		
		2. Establishment		
		3. Travelling allowance		
		4. Special charges ...	(*a*) Freight on implements and machinery	
			(*b*) Medals, money prizes and certificates	
			(*c*) Furniture and staging	
			(*d*) Buildings	
			(*e*) Agency charges	
			(*f*) Industrial and Agricultural products for Commercial Museum	
		5. Deduct-receipts		
	6. Co-operative societies	1. Salaries		
		2. Establishment		
		3. Travelling allowance		
		4. Contingencies		
	7. Sericulture	1. Salaries		
		2. Establishment		
		3. Travelling allowance		
		4. Special charges	1. Construction of model rearing houses	
			2. Cost of mulberry leaves	
			3. Scholarships to sons of raiyats	
		5. Contingencies		
23. Industries and Commerce	1. Direction	1. Salaries		
		2. Establishment		
		3. Travelling allowance		
		4. Special charges	1. Up-keep of Director's Motor cars	
			2. Purchase of instruments machinery, etc.	
			3. Collection and compilation of statistics	
			4. Experts	
		5. Contingencies		
	2. Weaving Factory	1. Factory	1. Establishment	
			2. Special charges—	
			(a) Purchase of raw materials	
			(b) Purchase of looms and plant	
			3. Office expenses and miscellaneous	

		2. Experimental and Demonstration work	1. Establishment 2. Travelling allowance 3. Special charges— (a) Wages and materials (b) Training of weavers (c) Looms for supplying to private persons 4. Contingencies
		Deduct—Receipts	
	3. Sugar-cane mills	1. Sugar-cane mills 2. Working expenses including wages of temporary Establishment	
		Deduct—Receipts	
	4. Sandalwood Oil Factory	1. Salaries 2. Establishment	
		3. Special charges	1. Cost of sandalwood 2. Agency 3. Fuel 4. Power and Lighting 5. Packing and freight 6. Insurance 7. Miscellaneous 8. Depreciation charges
		Deduct—Receipts	
	5. Industrial Depot		
24. Grants for Public Improvements and Developments.	1. Grants to Municipalities	(a) For Bangalore City Improvement (b) For Improvement of water-supply in towns (c) For town planning operations	
	2. Grants to the Mysore City Improvement Fund		
	3. Grant-in-aid to Local Funds for Village Improvements		
	4. Grant-in-aid for sinking water-wells in villages		
	5. Malnad Improvement		
25. Army	1. Headquarters	1. Salaries 2. Establishment 3. Travelling allowance 4. Special charges 5. Contingencies	

Expenditure—*contd.*

Major head	Minor head	Sub-head	Detailed head	Remarks
	2. Imperial Service Regiment	1. Salaries		Musketry allowance, Armour allowance and Bahadur allowance will be classed under the head under which pay of the men is classed.
		2. Establishment		
		3. Field service followers		
		4. Local Establishment		This head will include pay of Range watchman.
		5. Recruits		
		6. School Establishment		This head will include riding school, regimental school and pioneer class.
		7. Good conduct pay		
		8. Horses forage allowance		
		9. Compensation for dearness of gram and ragi		
		10. Travelling allowance		
		11. Special charges	1. Purchase of ammunition.	
			2. Hospital and veterinary medicines	
			3. Cost of free kit	
			4. Chenna rations	
			5. Kaval rent	
			6. Polo charges	
			7. Subscription and entrance fee for sporting meetings	
			8. Other charges	Other charges will include (*a*) camp equipage (*b*) contribution for Imperial Service Fund (*c*) Feed and keep of camels (*d*) Expenses connected with Rifle Range, jumping and Gymnastic ground, etc.
		12. Contingencies		
		13. Field service allowances		
	3. Local Service Regiment	1. Salaries		
		2. Establishment		
		3. Forage allowance		
		4. Compensation for dearness of gram and ragi		
		5. Travelling allowance		
		6. Special charges	(1) Hospital and veterinary medicines	
			(2) Cost of free kit	
			(3) Purchase of tents	
			(4) Purchase of ammunition	
		7. Contingencies		

4. Hessarghatta and Nadamavinapura Farms	1. Establishment	
	2. Other Farm charges	
5. Barr or Native Infantry	1. Salaries	
	2. Establishment	
	3. Travelling allowance	
	4. Special charges	(1) Purchase of ammunition (2) Purchase of kits (3) Free kits (4) Relief to Barr Infantry (5) Musical Instruments
	5. Contingencies	
6. Miscellaneous charges	1. Municipal and water taxes including charges for excess water consumed	
	2. Grant to remount Account	
	3. Other charges	
7. Imperial Service Transport Corps	1. Salaries	
	2. Establishment	
	3. Travelling allowance.	
	4. Special charges	(1) Clothing charges (2) Feed of poniesand bullocks (3) Line gear (4) Repairs and renewal of carts and harness (5) New iron carts (6) Purchase of Amrit Mahal bullocks (7) Hospital neccessaries (8) Veterinary medicines (9) Petty repairs (10) Mobilization equipment
	5. Contingencies	
8. Military Stores	1. Salaries	
	2. Establishment	
	3. Purchase and repair of arms, accoutrements and tents	
	4. Contingencies	
9. Superannuation and retiring allowance	1. Superannuation pensions	
	2. Gatuities	

Expenditure—*contd.*

Major head	Minor head	Sub head	Detailed head	Remarks
	Deduct 10, Army receipts—	1. Army proper	1. Hire of transport ponies and Government carriages	The revenue under the remaining detailed heads is too insignificant to have separate heads.
			2. Sale proceeds of cast horses and ponies	The receipts under Hessarghatta Farm and Nademavinapura experimental farm are not estimated separately though there are two heads. Hence they may be clubbed together.
			3. Miscellaneous receipts	
		2. Stores Department		
		3. Hessarghatta and Nademavinapura farms		
		4. Military Works		
26. Subsidy to British Government:				
27. Famine Relief ...	1. Salaries and Establishment			
	2. Relief works in charge of Civil Officers			
	3. Relief works in charge of Public Works Officers			
	4. Relief to people employed otherwise than on relief works			
	5. Gratuitous relief			
	6. Miscellaneous			
28. Famine Insurance ...	Famine Reserve			
29. Railways-Revenue Account.	1. Net loss on Railways Revenue Account			
	2. Miscellaneous Railway Expenditure			
	1. General charges	1. Railway Secretariat		
		2. Direction		
		3. Accounts		
		4. Training of traffic probationers		
		5. Honoraria to the members of the Railway Committee		
		Deduct—		
		(i) Contribution for Government Supervision, audit and control recoverable from District Boards and Companies		

		(ii) Amount debitable to Railways worked by M. S. M. Ry. Co. Revenue Account		
		(iii) Amount debitable to State and other lines under construction on account of their share of cost of Direction, Accounts and Stores establishment		
	2. Land for guaranteed railways			
	3. Surveys			
30. Productive Irrigation works.	1. Working Expenses	1. Extensions and Improvements		
		2. Maintenance and Repairs		
		3. Compensation		
		4. Establishment		
		5. Tools and plant		
		6. Refunds of revenue		
	2. Interest			
	3. Deduct-receipts	1. Direct receipts		
		2. Portion of Land Revenue due to Irrigation		
Capital outlay not charged to revenue				
31. Irrigation works ...				
32. Railways and tramways				
33. Cauvery Power Scheme				

APPENDIX A.

List of Major Heads of Revenue and Expenditure.

A. Principal heads of Revenue.	I. Land Revenue.	A. Direct Demands on the Revenue.	1. Land Revenue.
	II. Forest.		2. Forest.
	III. Excise.		3. Excise.
	IV. Miscellaneous Taxes.		4. Stamps.
	V. Stamps.		5. Registration.
	VI. Registration.		
B. Surplus Revenue of Assigned Tract.	VII. Assigned Tracts Receipts.		
C. Mining Revenue ...	VIII. Mining Revenue, Net.	C. Mining Revenue...	6. Capitalisation Fund.
D. Interest ...	IX. Interest.	D. Sinking Funds ...	7. Sinking Funds for Loans.
		E. Palace ...	8. Palace.
		F. Civil Administration.	9. General Administration.
			10. Law and Justice—Courts of Law.
			10A Do Jails.
			11. Police.
			12. Muzrai or Religious and Charitable Institutions.
			13. Medical.
			14. Sanitation and Vaccination
			15. Superannuation Allowances and Pensions.
			16. Stationery and Printing.
			17. Miscellaneous.
		G. Public Works ...	18. Minor Irrigation Works.
			19. Civil Works (net).
		H. Moral and Material Development.	20. Economic Conference.
			21. Education.
			22. Agriculture.
			23. Industries and Commerce.
			24. Grants for Public Improvements.
		I. Army and Defence	25. Army.
			26. Subsidy to British Government.
		J. Famine Relief and Insurance.	27. Famine Relief.
			28. Famine Insurance.
K. Railways—Revenue Account.	X. Net profit on Railway Revenue Account.	K. Railways ...	29. Net loss on Revenue Account of Railways.
L. Irrigation	XI. Productive Irrigation Works—Revenue Account—Net Profit.		30. Productive Irrigation Works. Revenue Account—Net loss.
M. Cauvery Power Scheme.	XII. Net Earnings.		
N. Other Capital Works—Net Profit.	XIII. Kolar Gold Fields Water-supply—Net Earnings.		
		Total ...	
		Surplus +; Deficit —	

GENERAL STATEMENT OF RECEIPTS AND

	Budget Estimate, 1916-17	Revised Estimate, 1915-16	Budget Estimate, 1915-16	Accounts, 1914-15
REVENUE.	Rs.	Rs.	Rs	Rs.
A. Principal Heads of Revenue ...	1,97,84,000	2,00,57,000	1,83,67,000	1,90,83,246
B. Surplus Revenue of Assigned Tract.	1,50,000	1,10,000	1,00,000	1,00,000
C. Mining Revenue—Net	16,82,000	17,14,000	16,85,000	17,00,659
D. Interest	20,81,000	20,38,000	16,85,000	23,94,997
K. Railways—Revenue Account—Net Profit.	...	38,000		1,66,208
L. Productive Irrigation Works—Revenue Account—Net Profit.	...	...		....
M. Cauvery Power Works—Net Profits...	13,27,000	11,40,000	13,27,000	6,46,351
N. Other Capital Works—Net receipts.	1,85,000	1,84,000	1,84,000	2,26,553
Total ...	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**
Surplus	**3,92,000**	**22,44,000**	...	**23,11,524**
Extraordinary Receipts	...	...	**7,00,000**	**8,22,940**
Debt, Deposit and Advances—				
Investment Account—Net ...	13,48,000	...	23,09,000	68,57,758
Permanent Debt—Net	...	...	...	...
Temporary Debt—Net	...	...	...	...
Unfunded Debt—Net	3,91,000	3,77,000	3,26,000	...
Reserve Funds—Net	14,24,000	14,91,000	14,84,000	15,03,569
Local and other Funds—Net ...	...	5,32,000	...	...
Deposits and Advances—Net ...	7,13,000	20,46,000	1,81,000	3,04,082
Loans Granted—Net	....	5,78,000	...	...
Remittances—Net	8,000	...	...	...
Total ...	**38,84,000**	**50,24,000**	**43,00,000**	**86,65,409**
Total ...	**2,94,85,000**	**3,25,49,000**	**2,83,48,000**	**3,61,17,887**
Opening Balance ...	69,85,000	72,27,000	56,99,000	1,01,08,057
GRAND TOTAL	**3,64,70,000**	**3,97,76,000**	**3,40,47,000**	**4,62,25,944**

DISBURSEMENTS FOR 1916-17.

EXPENDITURE.	Budget Estimate, 1916-17	Revised Estimate, 1915-16	Budget Estimate, 1915-16	Accounts, 1914-15
	Rs.	Rs.	Rs.	Rs.
A. Direct Demands on Revenue ...	34,77,000	33,46,000	33,61,000	35,06,443
C. Mining Revenue—Contribution to capitalisation Funds (a).	9,00,000	9,00,000	9,00,000	9,00,000
D. Sinking Fund	1,33,000	1,33,000	1,33,000	1,33,333
E. Palace	23,50,000	23,50,000	23,50,000	23,27 067
F. Civil Administration	54,21,000	50,58,000	52,60,000	51,14,618
G. Public Works—Net	29,14,000	30,02,000	29,61,000	25,43,932
H. Moral and Material Development ...	39,03,000	30,01,000	36,02,000	23,63,280
I. Army and Defence	51,19,000	47,75,000	50,58,000	47,70,900
J. Famine Relief and Insurance ...	2,00,000	2,00,000	2,00,000	2,00,057
K. Railways—Revenue Account—Net loss	27,000	...	1,98,000	...
L. Productive Irrigation Works—Revenue Account—Net loss (b).	3,73,000	2,72,000	2,62,000	1,46,860
Total ...	**2,48,17,000**	**2,30,37,000**	**2,42,85,000**	**2,20,06,490**
Surplus+Deficit— ...	**3,92,000**	**22,44,000**	**—9,37,000**	**23,11,524**
Total ...	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**
Revenue Deficit	...	...	**9,37,000**	...
Capital Outlay not charged to Revenue	**53,46,000**	**67,88,000**	**72,66,000**	**89,88,780**
Extraordinary Expenditure... ...	...	...	...	**50,00,000**
Debt, Deposits and Advances—				
Investment Account—Net ...	...	7,07,000	...	...
Permanent Debt—Net	5,000	...	10,000	...
Temporary Debt—Net	...	...	...	...
Unfunded Debt—Net	...	...	...	4,89,610
Local and other Funds—Net ...	2,58,000	...	4,61,000	1,51,693
Deposits and Advances—Net ...	...	...	...	...
Loans Granted—Net	5,51,000	...	3 18,000	14,825
Remittances—Net	...	15,000	83,000	36,484
Total ...	**8,14,000**	**7,22,000**	**8,72,000**	**6,92,612**
Total ...	**3,13,69,000**	**3,27,91,000**	**3,24,23,000**	**3,89,99,406**
Closing Balance ...	51,01,000	69,85,000	16,24,000	72,26,538
GRAND TOTAL	**3,64,70,000**	**3,97,76,000**	**3,40,47,000**	**4,62,25,944**

(a) Pending acceptance by Government of my suggestion about this, I have made a provision of nine lakhs under this head.

(b) See note (*a*) on next page.

BUDGET ESTIMATES FOR 1916-17 ACCORDING

	REVENUE	Budget Estimate, 1916-17	Revised Estimate, 1915-16	Budget Estimate, 1915-16	Accounts, 1914-15
		Rs.	Rs.	Rs.	Rs.
A.	**Principal Heads of Revenue—**				
	I. Land Revenue	1,01,67,000	1,00,65,000	1,02,35,000	98,06,368
	II. Forest	26,60,000	29,81,000	17,26,000	22,60,651
	III. Excise	54,25,000	54,32,000	49,30,000	54,89,032
	IV. Miscellaneous taxes	2,83,000	2,79,000	2,84,000	2,81,086
	V. Stamps	10,49,000	10,90,000	9,93,000	10,43,660
	VI. Registration	2,00,000	2,10,000	1,99,000	2,02,449
	Total ...	**1,97,84,000**	**2,00,57,000**	**1,83,67,000**	**1,90,83,246**
B.	VII. **Surplus Revenue of Assigned Tract**	**1,50,000**	**1,10,000**	**1,00,000**	**1,00,000**
C.	VIII. **Mining Revenue (Net)**	**16,82,000**	**17,14,000**	**16,85,000**	**17,00,659**
D.	IX. **Interest (Net)**	**20,81,000**	**20,38,000**	**16,85,000**	**23,94,997**
K.	**Railways—Revenue Account—**				
	X. **Net Profit on Railway Revenue Account**	...	**38,000**	...	**1,66,208**
L.	XI. **Productive Irrigation Works—Revenue Account—Net Profit** ...	...	...	...	...
M.	XII. **Cauvery Power Works—Net Profit** (*a*)	**13,27,000**	**11,40,000**	**13,27,000**	**6,46,351**
N.	**Other Capital Works, Net**	...	...	...	...
	XIII. Kolar Gold Fields Water Works—(Net) (*b*)	1,85,000	1,84,000	1,84,000	2,26,553
	Grand Total	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**

(*a*) A part of these receipts are really creditable to the head "Irrigation" as due to the construction of the Cauvery Reservoir, but as the principle on which additional revenue is to be distributed between Irrigation and Cauvery Power Scheme has not yet been decided, the whole of the receipts has been shown under this head.

(*b*) The gross figures are shown here as the amount of charges debitable are not shown separately in the accounts and estimates.

TO THE REVISED CLASSIFICATION PROPOSED.

EXPENDITURE	Budget Estimate, 1916-17	Revised Estimate, 1915-16	Budget Estimate, 1915-16	Accounts, 1914-15
	Rs.	Rs.	Rs.	Rs.
A. Direct Demands on Revenue—				
1. Land Revenue	20,22,000	19,29,000	19,77,000	18,38,528
2. Forest	9,40,000	9,26,000	8,84,000	11,78,832
3. Excise	3,56,000	3,50,000	3,59,000	3,49,011
4. Stamps	63,000	48,000	49,000	49,501
5. Registration	96,000	93,000	92,000	90,571
Total ...	**34,77,000**	**33,46,000**	**33,61,000**	**35,06,443**
C. Mining Revenue—				
6. Contribution to Capitalization Fund (c) ...	**9,00,000**	**9,00,000**	**9,00,000**	**9,00,000**
D. 7. Sinking Fund	**1,33,000**	**1,33,000**	**1,33,000**	**1,33,333**
E. 8. Palace	**23,50,000**	**23,50,000**	**23,50,000**	**23,27,067**
F. Civil Administration—				
9. General Administration	9,25,000	8,61,000	8,79,000	8,32,269
10. Law and Justice—Courts of Law ...	8,94,000	8,53,000	8,94,000	8,32,019
11. Do Jails	1,16,000	93,000	1,20,000	99,821
12. Police	10,57,000	10,25,000	10,41,000	10,22,806
13. Muzrai or Religious & Charitable Institutions	3,58,000	3,53,000	3,59,000	3,61,193
14. Medical	6,45,000	5,37,000	5,85,000	5,48,827
15. Sanitation and Vaccination	1,13,000	95,000	1,24,000	95,831
16. Superannuation allowances and pensions ...	8,03,000	7,64,000	8,11,000	7,73,315
17. Stationery and Printing	3,38,000	2,75,000	2,83,000	2,38,877
18. Miscellaneous	1,72,000	2,02,000	1,64,000	3,09,660
Total ...	**54,21,000**	**50,58,000**	**52,60,000**	**51,14,618**
G. Public Works—				
19. Minor Irrigation Works	8,64,000	7,73,000	8,89,000	4,17,633
20. Civil Works—(Net)	20,50,000	22,29,000	20,72,000	21,26,299
Total ...	**29,14,000**	**30,02,000**	**29,61,000**	**25,43,932**
H. Moral and Material Development—				
21. Economic Conference	2,88,000	2,16,000	2,51,000	1,97,872
22. Education	21,32,000	16,21,000	18,38,000	12,97,028
23. Agriculture	4,30,000	3,25,000	4,35,000	3,01,844
24. Industries and Commerce	78,000	1,77,000	1,77,000	71,444
25. Grants for public improvements ...	9,75,000	6,62,000	9,01,000	4,95,092
Total ...	**39,03,000**	**30,01,000**	**36,02,000**	**23,63,280**
I. Army and Defence—				
26. Army	16,19,000	12,75,000	15,58,000	12,70,900
27. Subsidy to British Government ...	35,00,000	35,00,000	35,00,000	35,00,000
Total ...	**51,19,000**	**47,75,000**	**50,58,000**	**47,70,900**
J. Famine Relief and Insurance—				
28. Famine Relief	...	...	...	57
29. Do Insurance	2,00,000	2,00,000	2,00,000	2,00,000
Total ...	**2,00,000**	**2,00,000**	**2,00,000**	**2,00,057**
K. Railways—				
30. **Net loss on Revenue Account ...**	**27,000**	...	**1,98,000**	...
L. 31. Productive Irrigation Works—Revenue Account—(Net loss) (d)	**3,73,000**	**2,72,000**	**2,62,000**	**1,46,860**
Total ...	**2,48,17,000**	**2,30,37,000**	**2,42,85,000**	**2,20,06,490**
Surplus + Deficit —	**3,92,000**	**22,44,000**	**—9,37,000**	**23,11,524**
Grand Total	**2,52,09,000**	**2,52,81,000**	**2,33,48,000**	**2,43,18,014**

(c) Pending acceptance by Government of my suggestion about the creation of this fund, I have inserted Rs. 9,00,000 under the head.

(d) See note (a)

BUDGET ESTIMATES FOR 1916-17 ACCORDING TO

	Budget Estimate, 1916-17		Revised Estimate, 1915-16		Budget Estimate, 1915-16		Accounts, 1914-15	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus		**3,92,000**		**22,44,000**		...		**23,11,524**
Extraordinary Receipts		...		...		**7,00,000**		**8,22,940**
Investment Account ...		13,55,000		3,40,000		23,20,000		1,51,90,245
Net ...		**13,48,000**		...		**23,09,000**		**68,57,758**
Debt—								
Permanent Debt ...	...		...		...		...	
Temporary Debt ...	...		...		...		...	
Net ...		...		...		...		...
Unfunded Debt—								
State Life Insurance Fund.	5,00,000		4,90,000		4,50,000		4,49,658	
Mysore Infantry Retiring Fund.	14,000		13,000		12,000		12,456	
Savings Bank Deposits...	31,50,000		34,50,000		34,00,000		33,72,119	
Provident Fund ...	75,000		61,000		...		...	
Endowments for charitable and other purposes.	15,000	37,54,000	12,000	40,26,000	15,000	38,77,000	10,958	38,45,191
Net ...		**3,91,000**		**3,77,000**		**3,26,000**		...
Reserve Funds—								
Famine Insurance Reserve.	2,00,000		2,00,000		2,00,000		2,00,000	
Cauvery Power Depreciation Fund.	3,12,000		2,99,000		2,92,000		2,94,887	
Mining Revenue Capitalization Fund.	9,00,000		9,00,000		9,00,000		9,00,000	
Sinking Fund for loans	1,33,000	15,45,000	1,33,000	15,32,000	1,33,000	15,25,000	1,33,333	15,28,220
Net ...		**14,24,000**		**14,91,000**		**14,84,000**		**15,03,569**
Local and other Funds—								
Local Funds ...	24,09,000		24,50,000		22,85,000		20,17,394	
Municipal and City Improvement Funds.	17,06,000		15,91,000		15,47,000		12,43,437	
Muzrai and Military Funds.	7,23,000		7,06,000		7,20,000		7,48,764	
Miscellaneous Funds ...	79,000	49,17,000	1,15,000	48,62,000	90,000	46,42,000	1,48,073	41,57,668
Net ...		...		**5,32,000**		...		...

THE REVISED CLASSIFICATION PROPOSED.

	Budget Estimate, 1916-17		Revised Estimate, 1915-16		Budget Estimate, 1915-16		Accounts, 1914-15	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deficit		...		...		**9,37,000**		...
Capital outlay not charged to Revenue—								
Railways and tramways	22,15,000		30,42,000		43,35,000		46,61,891	
Irrigation ...	21,00,000		30,00,000		25,00,000		32,56,187	
Cauvery Power works ...	10,31,000		7,46,000		4,31,000		10,70,702	
		53,46,000		**67,88,000**		**72,66,000**		**89,88,780**
Extraordinary expenditure.		...		...		...		**50,00,000**
Investment Account ...		7,000		10,47,000		11,000		83,32,487
Net ...		...		**7,07,000**		...		...
Debt—								
Permanent Debt ...	5,000		...		10,000		...	
Temporary Debt ...	...		...		...		...	
		5,000		...		10,000		...
Net ...		**5,000**		...		**10,000**		...
Unfunded Debt—								
State Life Insurance Fund.	1,56,000		1,47,000		1,50,000		1,30,847	
Mysore Infantry Retiring Fund.	2,000		1,000		1,000		462	
Savings Bank Deposits	32,00,000		35,00,000		34,00,000		42,03,492	
Provident Fund ...	5,000		1,000		...		...	
Endowments for charitable and other purposes.	...		...		...		...	
		33,63,000		36,49,000		35,51,000		43,34,801
Net ...		...		...		...		**4,89,610**
Reserve Funds—								
Famine Insurance Reserve.	...		...		...		...	
Cauvery Power Depreciation Fund.	1,21,000		41,000		41,000		24,651	
Sinking Fund for loans	...		...		...		...	
		1,21,000		41,000		41,000		24,651
Net ...		...		...		...		...
Local and other Funds—								
Local Funds ...	26,95,000		21,00,000		25,95,000		20,42,376	
Municipal and City Improvement Funds.	17,16,000		14,91,000		17,13,000		14,34,830	
Muzrai and Military Funds.	6,84,000		6,36,000		6,98,000		7,02,336	
Miscellaneous Funds ...	80,000		1,03,000		97,000		1,29,819	
		51,75,000		43,30,000		51,03,000		43,09,361
Net ...		**2,58,000**		...		**4,61,000**		**1,51,693**

BUDGET ESTIMATE FOR 1916-17 ACCORDING TO

	Budget Estimate, 1916-17		Revised Estimate, 1915-16		Budget Estimate, 1915-16		Accounts, 1914-15	
Deposits and Advances—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Departmental and Judicial deposits.	1,30,87,000		1,73,69,000		1,15,38,000		1,25,41,213	
Advances	17,79,000		14,44,000		17,03,000		19,09,201	
Suspense Accounts (Net)	...		...		...		2,351	
Miscellaneous ...	50,000		59,000		50,000		52,709	
		1,49,16,000		1,88,72,000		1,32,91,000		1,45,05,474
Net ...		**7,13,000**		**20,46,000**		**1,81,000**		**3,04,082**
Loans granted—								
Loans to encumbered Jaghirdars.	10,000		9,000		18,000		14,024	
Loans to Municipalities	3,000		3,000		4,000		22,303	
Special and other loans...	1,52,000		7,11,000		3,12,000		3,01,928	
Loans under Land Improvement Regulation.	35,000		30,000		35,000		27,352	
Loans to Agricultural Banks.	50,000		50,000		2,000		22,335	
Loans to Co-operative Societies –	2,000		2,000		...		254	
		2,52,000		8,05,000		3,71,000		3,88,196
Net ...		...		**5,78,000**		...		...
Remittances—								
Local remittances (Net)	...		...		...		...	
Other Departmental Accounts (Net)	...		...		20,000		36,526	
Account between Public Works, Cauvery Power Scheme and Railways and Civil Department (Net).	...		...		...		43,919	
His Majesty's Treasury (Net)	...		...		...		...	
Guaranteed Railways (Net)	8,000		...		...		...	
		8,000		...		20,000		80,445
Net ...		**8,000**		...		...		...
Total Net Receipts ...		**38,84,000**		**50,24,000**		**43,00,000**		**86,65,409**
Total ...		**2,94,85,000**		**3,25,49,000**		**2,83,48,000**		**3,61,17,887**
Opening Balance ...		69,85,000		72,27,000		56,99,000		1,01,08,057
GRAND TOTAL		**3,64,70,000**		**3,97,76,000**		**3,40,47,000**		**4,62,25,944**

THE REVISED CLASSIFICATION PROPOSED—*contd.*

	Budget estimate, 1916-17		Revised Estimate, 1915-16		Budget Estimate, 1915-16		Accounts, 1914-15	
Deposits and Advances—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Departmental and Judicial deposits.	1,22,96,000		1,53,40,000		1,13,77,000		1,21,67,002	
Advances	18,77,000		14,53,000		16,73,000		19,86,977	
Suspense Accounts (Net)	10,000		10,000		35,000		8,276	
Miscellaneous ...	20,000		23,000		25,000		39,137	
		1,42,03,000		1,68,26,000		1,31,10,000		1,42,01,392
Net ...		...		...		...		...
Loans granted—								
Loans to encumbered Jaghirdars.	...		...		...		12.973	
Loans to Municipalities	50,000		...		50,000		230	
Special and other loans...	6,34,000		2,16,000		5,97,000		3,77,587	
Loans under Land Improvement Regulation.	5,000		5,000		...		2,516	
Loans to Agricultural Banks.	4,000		4,000		2,000		2,360	
Loans to Co-operative Societies.	1,10,000		2,000		40,000		7,355	
		8,03,000		2.27,000		6,89,000		4,03,021
Net ...		**5,51,000**		...		**3,18,000**		**14,825**
Remittances—								
Local Remittances (Net)	...		...		...		3,640	
Other Departmental Accounts (Net)	...		...		...		...	
Account between Civil Department and Public Works, Cauvery Power Scheme and Railways. (Net)	...		...		...		...	
His Majestey's Treasury (Net)	...		...		...		36,348	
Guaranteed Railways (Net)	...		15,000		1,03,000		76,941	
		...		15,000		1,03,000		1,16,929
Net ...		...		**15,000**		**83,000**		**36,484**
Total Net Disbursements		**8,14,000**		**7,22,000**		**8,72,000**		**6,92,612**
Total ...		**3,13,69,000**		**3,27,91,000**		**3,24,23,000**		**3,89,99,406**
Closing Balance ...		51,01,000		69,85,000		16,24,000		72,26,538
GRAND TOTAL		**3,64,70,000**		**3,97,76,000**		**3,40,47,000**		**4,62,25,944**

enclosure to Mr. Datta's D.O. letter of

1. F. 157-46

The objects of changes in the classification of Receipts and Disbursements proposed by Mr. Datta are chiefly three:-

1. Elimination of details which serve no useful purpose.

2. Grouping of Heads to indicate, as regards Revenue, the real resources of the State and, as regards expenditure, the different functions, services and purposes to which the revenues are devoted.

3. Making the Estimates and Accounts true indexes of the exact financial position in respect of each function, service or activity of Government and of the State as a whole.

All the above objects are most desirable and I therefore consider that the changes recommended for attaining them are all necessary.

2. As I agree with Mr. Datta in the changes suggested by him I do not find it necessary to offer any remarks on each of them and I shall add only a few words on the more important of the alterations proposed.

Summary. Para 2(a). Most of the Heads now shown under "Salaries and expenses of Civil Administration" and "Miscellaneous Civil Charges" relate to the work of "Civil Administration" and to bring them all under one group head of that name "Civil Administration" is an improvement on the present arrangement. 'Public Works' i.e., Civil Works, and Irrigation Works other than productive works, are incidental to "Civil Administration" and in view of the magnitude of expenditure on them and of the optional character of a part of the annual grants therefor, this group head is

is properly shown separately and immediately after 'Civil Administration'.

The exhibition of the heads of expenditure on the various purposes and services for the 'Moral and Material Developmen of the country under a group head of that name, instead of classifying them with the heads of 'Civil Administration services' is very appropriate.

Para 2 (b) The principle of showing net the expenditure on the different services is unexceptionable and it is only by following this principle that the real cost of each service is brought out in the accounts and estimates.

Paras 3 & 4. In the case of productive works - Railways, Irrigation and Cauvery Power Scheme - the result of the annual working will be either a net profit or a net loss after allo-ing for interest on the financial investments made on them.

Mr. Datta proposes to show in the abstract accounts and estimates only such net gain or loss and this is the only correct way of showing the working of productive works

Para 5. Government have made large investments in securities and productive works and get interest on them. They also pay interest on debts -- Permanent, Temporary and Unfunded- contracted by them. It is therefore rightly proposed to show the net result of these transactions under "Interest."

Para 6. The principle of charging against

Mining Revenue the connected outlay is already accepted. Mr. Datta's proposal is only to show the net amount on the revenue side.

Paras 7 & 8. Part of the Capital Expenditure on Railways and Cauvery Power Scheme is now shown in the Revenue account and this procedure is not correct. The entire Capital Expenditure on all Productive Works should be shown outside the Revenue account and this is the proposal of Mr. Datta. The classification of these works under the four heads suggested is convenient and may be adopted.

Para 9. The regrouping of the Debt transactions is a decided improvement.

10-12-16

~~Comptroller.~~

7 Bangalore
10.12.16

4510 G.F. 156-16.

5 My dear Mr. Chakravarti,

I send herewith Mr. Datta's D.O. letter of this date enclosing his note on the simplification of classification of receipts and charges in connection with the Budget. If you agree with the proposals, will you kindly draw up and send me tomorrow ~~the~~ a ~~draft~~ Government Order sanctioning the procedure. As the matter is said to be urgent, we may issue the order in consultation with the Council~~lors~~ and ~~then~~ submit ~~it~~ for the information of His Highness.

Yours sincerely,

10-12-16 R.O.

(Dewan)

D 7410-

G.F. 156-16

GENERAL AND REVENUE SECRETARIAT.

D. O. No. 201.

Dated Bangalore, 11th December 1916.

My dear Sir,

I am in receipt of your very kind demi-official letter of yesterday regarding Mr. Datta's note on classification. There are several points in it which require the consideration of government, and my note on the subject is herewith submitted. If desired, I shall discuss the questions personally with the Member in charge and put up a draft according to his opinion.

Yours sincerely,

J Bhakavanti

Sir M. Visvesvaraya, B.A., K.C.I.E.,
Dewan of Mysore, Bangalore.

Enclosure to F.D. letter no. 201

Pf. F 156-16

MR. DATTA'S PROPOSALS REGARDING CLASSIFICATION.

I welcome any proposals for reducing the number of heads of classification in our accounts. But such reduction should aim chiefly at eliminating obsolete heads and a radical alteration in the system is not called for. We have adopted the British India system of accounts, use the Government of India Codes and Forms and unless we mean to give this up, adherence to that system is desirable as far as practicable.

I now proceed to offer a few remarks on the suggestions of Mr. Datta for favour of consideration by Government. The matter requires thorough consideration and it is not desirable to rush through the --- change as far as this year's budget is concerned. -- Perhaps it would be well to compile the accounts of a particular district from the cash account and vouchers according to the proposed system and see if the work will be really very much simpler. In any case, the points noted below have to be decided by Government and orders passed before the proposals can be accepted as a whole.

G.F.156-16

Mr. Datta's proposals regarding classification.

Mr. Datta's proposal.	Financial Secretary's remarks.
Summary - Para 1. At present there are many major, minor and detailed heads under which either no transactions occur at all in some years or if even -- they do occur, they are insignificant. These heads are therefore proposed to be abolished and other -- suggestions are also made ...	I agree to the weeding out of obsolete heads but as regards some of the "other suggestions" I do not agree.
Para (2)(b) 2. It is suggested that the expenditure under the respective heads should in future be shewn net, ...	I am strongly opposed to expenditure being shewn net for the following reasons:- (a) Accounts are records of transactions as they occur and receipts should be shewn as receipts and disbursements as disbursements. (b) If figures are shewn net the variations of the net figure will not give a correct idea of the progress of operations of the department. For example, supposing expenditure on Education is 20 lakhs and receipts 2 lakhs the net figure is 18 lakhs. The variation of this figure to 19 will not indicate -- whether expenditure on education has progressed to 21 lakhs or receipts fallen to 1 lakh or partly one or the other. Again the expenditure on the Industries and Commerce Department will, under the system be a negative figure. Supposing it is 5 lakhs. The variation of this to 8 lakhs will not at all indicate whether the change is due to a slight rise in the price of sandal oil or to a very large increase in the general organization of the Industries Department. (c) In order to shew revenue by deduction from expenditure the revenue must be minutely classified according to the heads of expenditure classification and deduction made under each of the latter heads. Then alone it will be possible to arrive at net minor head figures working up to the net major head figure. For example, if we say that we spend 18 lakhs net on education we should know how much out of that we spend on colleges, how much on High Schools, and so forth. But under the scheme proposed in para 46 of Mr. Datta's note this will not be possible. The minor head figures will be all gross but the major head figure will be shewn net.

9F 156-16

Mr. Datta's proposal.

Financial Secretary's remarks.

(d) It is not that we do not make any net calculation. This is done in the Appropriation Report. The general statement of accounts should be a statement of receipts and disbursements as they have occurred and net calculations to judge proportionate resources of the State spent on different services etc., should be made -- separately in their appropriate places when required.

(e) The treasuries must take account ~~for~~ of receipts as receipts; they cannot render 'net' accounts. There will be thus one set of receipt heads for the treasury cash --- account and another set for the Comptroller's classified abstract and compilation and reconciliation of accounts will become complicated.

(f) Such arguments as "the receipts do not represent contributions by the people towards the expenses of the State" are not applicable to receipts of many Civil Departments, e.g., Education, Medical, etc. Again the forest receipts, for example, do not represent contributions by the people yet they are proposed to be shewn on the receipt side.

(g) Adoption of the British Indian system of classification ~~xxxxxxxxx~~ facilitates -- comparison with Indian provinces and should not be departed from in the absence of strong reasons.

Para (3)

3. In the case of no classes of these works is the net profit or loss on its revenue account brought out clearly in the genral accounts of the State. In all these cases therefore, I have proposed that the profit or loss on account of each class of these works ... .

The general abstract should shew what each class of works brings on the revenue side and what each class costs on the expenditure side. There are separate capital and revenue accounts in which net financial results are worked out. If any other accounts are required to bring out any particular aspect of the State finances they should be separately compiled. If the object of the general abstract were to shew exactly what net revenue each department or class of works brings to the State then logically Land revenue and all the other major heads of revenue will have to be treated in a similar way.

Para 3(4) (7)

4. The net profit or net loss on each work will then be calculated after taking into account the gross earnings, the working expenses and the interest and depreciation charges and only this net profit or net loss will be shewn in the general abstract, either on the revenue or the expenditure side as the case may be.

I do not agree that the revenue from railways out of surplus revenues should be shewn under "Interest" in the general accounts and not under Railways Revenue account.

What Mr. Datta says is this: suppose a railway is constructed at a cost of 100 lakhs and brings in a revenue of 5 lakhs. If 4 % is the assumed rate of interest then out of this railway revenue of 5 lakhs, 4 lakhs should appear under 'Interest' and only one lakh as Railway revenue. In my opinion this

There

will

GF.156-16

8/4

There will thus be considerable receipts under the head "interest", ...

will not be a correct representation of facts. The whole of the 5 lakhs should be shewn as railway revenue. Of course every one will understand that this income is in lieu of interest which might have been derived by investing the amount in securities instead of in railways. The head "Interest" should shew only the income actually realized as interest and nothing is gained by shewing under it as supposed interest the income really derived from railways, irrigation works, etc. Of course there are separate capital and revenue accounts in which the net return is analysed into interest, profits excluding interest and so forth.

Para (8)

5. All capital expenditure should in future be shewn outside the revenue account so as not to affect the surplus of the year. Surplus revenues, accruing in future as they are likely to do always though not to the extent as in the past, will of course be invested in productive works, i.e., they will reduce the amount of debt which it would otherwise be necessary to incur for the construction of productive works.

In practice it is not possible to shew all capital expenditure outside the revenue account. Strictly speaking even the cost of constructing a small minor tank is capital expenditure but such charges cannot be treated as outside the revenue account A definite rule may be laid down and followed Works which are undertaken to secure additional comfort, safety, etc., and are not expected to increase the revenues should in my opinion continue to be charged to the revenue account so as to reduce the surplus.

Para 7. (Main report)

6. But in Mysore there is no need for two separate heads, one for permanent and the other for temporary establishment, ...

I think that both in accounts and estimates temporary and permanent establishments should be shewn separately. This is an extremely important matter. In a stage of rapid development many establishments are created temporarily and experimentally and these must appear as such.

Para 11 (b)

7. .. I would first of all give two general abstracts, ... At present only one genral abstract is given shewing the figures by major heads the grouping being also shewn in the same statement.

The object of this change is not apparent. Two general abstracts appear unnecessary.

Para 18

8. .. The abolition of the various transfers will not, I think, therefore affect the net mining revenue to any appreciable extent.

The transfers are now effected on a logical basis and should be continued. It would not be right to treat the whole of the Railway General Department charges to mining revenues and to exempt them from bearing any share of special charges under Courts of Law, Education, etc., which are necessary solely because the mines exist.

GF 156-16

9. Para 22. .. the major head "scientific and other departments" may be abolished altogether.

The head Scientific and minor departments should remain to shew one side of the activities of the State; Geology, Archaeology, Metrology, Museum, Public Libraries, etc., should not all be merged in Miscellaneous.

10. Para 24.
The head "Reduction or Avoidance of Debt" is a misnomer. ...

I do not agree that the existing head is a misnomer as the Sinking Fund provision is for reduction and the ~~xxx~~ Famine Insurance provision is for -- avoidance of debt. The group head may remain as it is.

11. Para 25.
Under Railway Revenue Account the net traffic earnings of the M.& S.M.Ry. Co., and those of the State and State-worked Railways are at present shewn under two different major heads. This distinction seems to me to be unnecessary and I would shew thw whole revenue under one head, viz., Railways. ....

In my opinion the distinction between the two classes of Railway earnings is sufficient definite to justify separate major heads.

12. Para 39.
Under 'Education' I would abolish the minor heads for 'Book Department' and 'Oriental Library and Search for Sanskrit manuscripts' andshew the charges under the minor head 'Miscellaneous'.

It would be a pity to abolish minor heads in such cases. These heads indicate some definite lines of work undertaken in the State and the expenditure therefor and are not so unimportant as to deserve being merged in Miscellaneous.

13. Para 52.
The head "Travelling allowance" will include all kinds of allowances allowed for travelling for both officers and establishment...

I think travelling allowance for officers and establishments should continue to be shewn separately. In any study of the rate of growth of travelling allowance charges separate figures for these classes are essential.

14. Para 57.
.. At present full details of the salaries of the Gazetted and non-gazetted officers and menial establishment are given in the body of the Estimates. .... I propose that these details may be relegated to an appendix....

This will not be so convenient for reference as the present arrangement as comparison with revised and actuals will be in ome place and details will have to be sought for in another place, viz., in the appendix. I think the present arrangement may remain.

J Chakravarti
11.12.16

GF. 156-16

SUPPLEMENTARY NOTE ON CLASSIFICATION.

I append a list of detailed heads under several minor heads according to the present and proposed system to shew that while some of the ~~heads~~ existing heads may be dispensed with as obsolete or unnecessary, it would be undesirable to do away with details to anything like the extent proposed.

2. As regards 'Salaries' we may take as example 'Forest' and 'Staff and Household of H. H. the Maharaja'. I think it will be admitted that lumping up here has been carried too far.

3. In the former case, while the detailed heads 'Local Allowance to Controlling Staff' and 'Deputation and Special Allowances' may go, it is certainly desirable to retain the classification into 'Administration', 'Controlling Staff' 'Forest Settlement and 'Forest Surveys'. In the case of 'Staff and Household' also, it would hardly be desirable to bring together Officers with such different functions and duties under the one detailed head, 'Salaries'.

4. As regards 'Establishment', we may take as illustration the head 'Forest'. 'Executive and protective staff', Office establishment, permanent, Office establishment, temporary, Elephant establishment etc,, are all proposed to be lumped under one head. Similarly under 'Staff and Household', Military Secretary's Office establishment, Private Secretary's office establishment, Durbar Surgeon's establishment of Sub Asst. Surgeon's, Compounders, Peons etc and

Aide de Camp's

G.F 158-16

Aide de Camp's, menial establishemant are all to be lumped up. The actual expenditure on each of these offices will not be shewn separately in the accounts and will not be available.

5. As regards 'Travelling Allowances', 'Forest again may be taken as an example. The travelling allowance of all in the Forest Department from the Conservator to Forest Guards will be lumped up in the budget and accounts. This can hardly lead to good estimating and effective control. It is very desirable to shew separately the Travelling allowance for Administration, Controlling staff, Executive and Protective staff and Office establishment and for any other special heads like Forest Settlement etc. The requirements of each branch are determined by different set of conditions and separate budgeting and accounting is certainly preferable.

5. As regards 'Special charges and Contingeneicies', it would hardly be proper to bring together under such a general head meaning nothing in particular a large and number and variety of items.

Each head which is of any importance and which constitutes a distinct class of charges by itself should form a detailed head in the estimates and accounts. If we lump up several kinds of charges which have no connection with one another and which fluctuate in different directions independently of one another, rational estimating will not be possible.

G.F. 156 16

6. Take for example, the items proposed to be clubbed together under the head "Taluk Establishment, 'Contingencies--Other charges'". Will it be right to include all the ten different kinds of expenditure under one head? Can the requirements of all these heads be estimated in lump on any rational principle? I do not refer here to the proposals to debit charges on account of District Treasuries, District handbooks etc. to Taluk Contingencies as it is apparently an oversight.

7. The fact is that each detailed head must indicate the exact nature of the charge--the purpose for which money is provided. Only the residue--a very small and negligible amount--should be shown in the budget and accounts under such general terms as Other charges', 'Special charges', 'Miscellaneous', etc. which may mean anything and may apply to all departments. Any scheme which requires large amount in all departments being shown under such general heads--practically leaves them unclassified and lumped up--cannot be said to fulfil the primary objects of classification.

J Chakravarti

14.12.16

C l a s s i f i c a t i o n.

Present.	Proposed.
3. B. FOREST.	II. FOREST.
B.Establishemnts.	B. Establishments.
I. Salaries	1. Salaries.
(a) Administration.	
1. Conservator	
2. Personal Assistant.	
(b) Controlling staff	
(c) L.A.to Controlling staff	
(d) Forest settlement	
(e) Deputation & Spl. allce.	
(f) Forest surveys.	
II. Establishments.	2. Establishments.
(a) Exec and protective staff	
(b) Office estt. permanent.	
1. Conservator's office	
2. Dist & Sub Dn. Offices	
3. Range offices and Koties	
(c) Office estt. Tempy.	
1. Conservator's office,	
2. Other offices,	
(d) Elephant establishment,	
(e) Establishment of Nurseries	
(f) Local allowance,	
(g) Deputation and Spl. allos.	
IV. Travelling allowance.	4. Travelling allowance.
(a) Administration,	
(b) Controlling staff,	
(c) Forest settlement officer,	
(d) Forest surveys,	
(e) Exec and Protective staff,	
(f) Office establishments,	
(g) Forest settlement estt.	

Present.	Proposed.
GENERAL ADMINISTRATION	
Staff and Household of H. H. the Maharaja.	
i	
i. Personal staff	
(a) Aide de Camp	
(b) 1. Military Secretary,	
2. Office Assistant.	
ii. Private Secretary	
1. Private Secretary,	
2. Huzur Secretary,	
3. Assistant Secretary,	
4. Exchange Compensation allce,	
5. Local allce to Asst. Secy.	~~X~~ ~~X~~X
7. Staff allowances	1. Salaries.
iii. Durbar Physicians.	
1. Durbar Physician & Surgeon	
2. House rent,	
3. Asst. Surgeons,	
4. Local Allowances,	
6. Exchange Compensation allce	
7. Contribution tds. Pension and Leave allowances.	

(Similarly for Establishment, Travelling allowance and Contingencies)

G.F. 156-16

Present.	Proposed.
LAND REVENUE.	
(2) Charges of District Administration.	
iii. Supplies and Services	
3. Cost of cash chests, Net bags, scales, padlocks, etc., purchased for District and Taluk Trys.	ii. Taluk Establishment.
5. Repairs of Boundary marks in unoccupied waste lands.	
6. Phut Pahani Charges	
7. Petty charges of a general nature	
8. Cost of Oiling and cleaning sluices,	5. Contingencies--Other Charges.
9. Law charges in the Revenue Department	
10. Measuring Instruments for Shekdars	
11. Cost of furniture for Mozini classes,	
12. Cost of printing District handbooks,	
13. Cost of printing Taluk Manual in English and Kannada.	
	iii Special charges.
1. Revenue Process Service charges	1. Revenue Process Service charges
2. Charges for remitting treasure within the district.	2. Charges for remitting treasure within the District.
4. Compensation for lands taken up for Revenue purposes.	3. Compensation for lands taken up for Revenue purposes.

G.F. 156-16

9/7

Present.	Proposed.
LAND REVENUE.	
Revenue Survey and Settlement Department.	
Supplies and Services.	
6. Boundary marks in unoccupied lands. 7. Purchase of Stores 8. Purchase and Repair of furniture and deadstock 9. Photo zincographic charges	5. Special charges.
ARCHAEOLOGICAL DEPARTMENT	
Supplies and services.	
7. Apparatus, Materials, furniture. 8. Preparation of photographs of important temples for sale. 9. Excavations for inscriptions. 10. Charges for revision of Gazetteer.	2[illegible]4. Special Charges.
MUSEUM.	
3. Purchase of specimens. 5. Objects of interest and coin purchases. 6. Fittings etc., for the collection	2. Special Charges.
7. Cost of books ad publications.	

C. 898
14.12.16.

1C

W. D. 2725—GPB—2,000—5-5-16

GF 157-16

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated 12th December 1916.

D.O. letter dated 10th December 1916 from Mr. Datta with a note on the classification of Receipts and Charges in Accounts and Estimates and papers connected therewith.

****

8 Forwarded to the First Member of Council, with compliments, for favour of necessary action.

9 It will facilitate speedy disposal if the points on which the First Member differs from Mr. Datta are shown in a statement form. This will enable Government to concentrate attention on questions which alone require detailed consideration.

10 The papers may kindly be treated as very urgent as, if Mr. Datta's recommendations are approved, they have to be brought into force in connection with this year's Budget.

12.12.16 dc

The First Member of Council.

11 Vide D.O. attached
Secy
13/12/16

12 As suggested by the First Member, the proposal may be at once considered by the Finance Committee at their on the 25th inst. at the meeting of Council

Read 4 Pm
dc
12/12

Fin Secy) Secy 14/12

13 Secretary) 13.12.16 dc
Dr. Secy to Agenda Secy 14/12

D. O. No. F. 4109

GOVERNMENT OF MYSORE

Gpf. 157 16

BEAULIEU,
AVENUE ROAD,
BANGALORE.

13th Dec. 16
1.30 pm

Dear Sir Vishveshwaraya

With reference to the accompanying papers relating to the Note of Mr. Balla on the Classification of Receipts and Charges in Accts & Estimates, I write to say that I have carefully considered the question in all its aspects and am of opinion that the question is a very important one and cannot be settled through letters except after consideration by the Finance Committee & the Council. As there is not sufficient time for doing this, I agree with Mr. Lacy that the introduction

of the proposed changes be put off until
next year and this year will be framed
on the existing system

We may perhaps, on suggestion of
H. Leeg, direct that the proposed
system be adopted with reference
to the accounts of any one particular
unit, say Bangalore, just to see
how far the advantages claimed
for the new system can be realised

If we agree with me, orders may
be issued accordingly before we
leave Bangalore to-night.

I return the file herewith

Yours sincerely
[illegible]

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16

G. R. S. 12]

General and Revenue Secretariat. | G. F. File No. 156 of 1916-17

Serial No.

14 Circulated to the President and Member of the Finance Committee with a supplementary note.

JM
14.12.16

1133/15.12

15 Seen
15/12 WG

16
Seen. His views on the remarks of the F. Secy should be read by the Spl Offr - before the Comtee meeting - & steps in detail should be worked like general lines of his memo & matter

AH
20.12.16.

(Asst)

17 Next meeting.
JM
28/12

NOTE—Contn. sheet.

GPB—70.000—17-12-15

WD 1233—GPB—60,000—1-12-16—S.

13

G. R. S. III-2)

General and Revenue Secretariat. | G.7 File No. 156 of 1916-17

Serial No.	
18	The subject was considered by the Finance Committee on 9th January 1917 and it was resolved that the question might be reserved for consideration at the next meeting and that in the meantime the Financial Secretary's notes may be sent to Mr. Datta for perusal. Submitted for orders. 14/1/17 19 Sent with D.O letter dated 12-1-17

NOTE—Contn. sheet.

G. R. S. 12]

General and Revenue Secretariat. | Q.F. File No. 156 of 1916-17

Serial No.

D 76 15.1.17

20

Seen & returned with thanks. I dont think it is necessary for me to note in detail in this file. I shall explain my views to the members of the Finance Comtee when the matter comes up for discussion. All I need say at present is that most of the remarks contained in the note are based upon a misapprehension of my proposals.

K. L. Datta
15. 1. 17.

NOTE—Contn. sheet.

GPB—70.000– 17-12-15

7 & 65

WD 1233—GPB—60,000—1-12-16—S.

F. R. S. 111-2]

General and Revenue Secretariat.

Q.F File No. 156 of 1916-17

Serial No.

21 The subject was considered by the Finance Committee on the 17th and 19th January 1917 and the resolutions of the Committee on the suggestions contained in the note are placed below:-

22 A copy of the resolution may be communicated to the Comptr from the Fin. Branch at once for very early action on the lines indicated in para 10.

M
28/1/17

23
A/S Fin
Immediate
XXX 18/29.1.17.

24 Draft Subd
Hon. AVN
29.1.17

Issue
18
29.1.17.

25 The despatch duly
18
29.1.17

To The Comptroller
No: FL 4212 dated 31st January 17
Forwards copy of the resolution of the Finance Committee on Mr. Datta's note about Classification of Receipts and Expenditure and requests that very early action may be taken on the lines indicated in para 10 thereof.

& the file returned herewith
18

26 Resubmitted.
Hon. AVN
30-1-17

Seen - await receipt of
Compt. views from Complr. Genl
18
30.1.17.

NOTE—Contn. sheet.

G.F. 156-16

Extract from the proceedings of the 4th and 5th meetings of the Finance Committee held in the chambers of the First Member of Council on Wednesday and Friday the 17th and 19th January 1917 respectively.

Subject

CLASSIFICATION OF RECEIPTS AND DISBURSEMENTS

Opinion of the Committee

1) The proposal of relegating the establishment details in the budget to an appendix was approved. All details which now appear in the Budget under Salaries and Establishments should be included in the appendix

2) The grouping of Major heads as suggested by Mr. Datta was agreed to.

3) As regards Major Heads, it was thought that the Heads Refunds and Drawbacks, Assignments and Compensation, and Civil Furlough Allowances might be abolished as suggested but that the "Major Head "Scientific and Other Minor Departments" should remain.

4) Mr. Datta's suggestions about the heads Sinking Funds, Famine Relief and Famine Insurance were also approved.

5) As regards Minor Heads the proposals to reduce their number as indicated in the note were generally approved.

6) As regards Heads subordinate to Minor Heads the opinion of the Committee was that the Comptroller might take necessary action to such extent as might be desirable in consultation with the Heads of the respective departments

7) The principle that interest on the total capital expenditure whether met from borrowed funds or out of

of Revenue Surplus should be shown in the accounts was approved.

8) The Committee thought that the receipt or expenditure may be shown nett in the case of all Commercial Concerns. Also all receipts which represent the reimbursement of expenditure incurred may be shown by reduction on the expenditure side.

9) As regards the suggestion that expenditure on all capital works should be shown outside the ~~xxxxxxxx~~ Revenue Account, the Committee agreed that expenditure on all works undertaken for earning revenue and calculated to yield not less than four per cent should be shown as Capital Expenditure outside the Revenue Account.

10) The other suggestions contained in the Note were generally approved and it was resolved that the Comptroller be requested to get complete Budget forms prepared and printed in accordance with Mr. Datta's suggestions and submit them to Government for approval.

J. Chakravarti

Secretary, Finance Committee

Dated 22/1/17

G. R. S. 12]

General and Revenue Secretariat. | File No. of 191 .

Serial No.

Extract from notes in G.F. File 176-16 relating to the Budget Estimates of Courts of Law for 1917-18.

"3 In the letter of 30.1.1917 refd. to by the Comptroller he was asked to take action on the lines indicated in para 10 of the F.C's resolution dated 19th January 1917 viz." The Comptroller be requested to get complete budget forms prepared and printed in accordance with Mr. Datta's suggestions and submit them to Govt. for approval"

4 The attention of the Comptroller may be drawn to this and he may be requested to send the forms complete for approval at an early date.

x x x

Intd J. S. C.
26.2.17

1st member
Dewan

This may be done
Intd M.K.
27.2.17

To The Comptroller
No: FC 4836 Dated 2/3/17
With reference to his Communication submitting the Budget Estimates

NOTE—Contn. sheet.

GPB—70,000—17-12-15

2660

G. R. S. 12]

General and Revenue Secretariat.

Q. F. File No. 156 of 1916-17.

Serial No.

certain heads for 17-18 in the revised form as proposed by Mr. Datta, observe that in letter dt 30.1.17 the Comptr was requested to get Complete budget forms prepared and printed in accordance with Mr. Datta's suggestions & submit them to Govt for approval & therefore requests him to send the forms Complete for appn at an early date.

From the Comptroller
No: 7313/Budget 733 dt 5.3.17
States that the revision of the budget-forms in accordance with the resolution of the Finance Committee involved Considerable work, that at the same time the new procedure for preparing the Budget Estimates for 17-18 had to be brought into force, that the departmental budgets had also to be issued from the 20th Feby 17, that the new forms are accordingly subd along with the Budget-estimates for 17-18 and that a Complete Set of them will be subd shortly.

Subd
Hon.
6/3/17

Noted
7/Mch.

18
6/3/17.

NOTE—Contn. sheet.

GPB—70,000—17-12-15

ND 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

2166

General and Revenue Secretariat. | File No. | of 191

Serial No.

The procedure adopted by the Comptr viz. submitting the estimates in the new forms before they are ~~finally~~ approved by Govt renders it necessary to discuss the budgets sent up by him in two aspects viz.
(1) with regard to the forms & headings and (2) with regard to the figures. This is being done. Of course any change in the forms & headings now ordered by Govt will entail extra work on the Comptr's office & the arrangement is not convenient to the Sects either. To 1st member for inform—

2166
9/3.

9/3

This was foreseen, I believe, but it can't be helped, I suppose

9/3

NOTE—Contn. sheet.

Fin 996 F/16-17 C.S. 36 of 917
3

W. D. 2725—GPB—2,000—5-5-16

REPLY.

(To be written on this margin.)

Office of the Dewan of Mysore.

NOTE.

Dated 27th March 1917.

(not sent to Fin Secy)

D.O. letter* dated 23rd March 1917 from Mr. Datta regarding the changes in the classification in the Budget estimates for the ensuing year.

******

Forwarded to the Secretary, General Department, for favour of early action.

The draft letter which forms an enclosure to Mr. Datta's letter may be shown to the Financial Secretary and submitted ~~to me~~ with definite recommendations.

27.3.17. Dewan

The Secretary,

General Department.

Fin Secy) For favour of remarks.

Secy. 27/3

The subject of this draft has been discussed with Mr. Datta, & the Comptroller (5 to 8.15 on Wednesday evening) and we have arrived at an agreement. Government need not trouble any further about this. A memo embodying our joint conclusions is being submitted* to 1st member, and ~~may be confirmed early~~ that will enable the Comptroller to take necessary action.

* Since submitted.

5-476 / 30.3.17 Dewan)

Secy. Thanks Dewan 29/3

1.4.17 Dewan

29.3.17

D. O. No. 7 4365

Office of the Special Officer,

Bangalore, 23rd March 1917.

Dear Sir Visvesvaraya,

I was to have seen you to-day at 11.30 A.M. but I am sorry, I have not been able to finish the note which I wanted to discuss with you. Moreover, it will perhaps be better to send you the note first and then to discuss it with you after you have read it. I hope to be able to send you the note tomorrow and will see you on Sunday about it, if you can spare the time then.

In the mean time, there is another matter which I should like to bring to your notice. You said in Council yesterday that I should go on with my work disregarding the orders which have been issued directing some changes to be made in the classification adopted in the Budget Estimates now under preparation. I think it is necessary that some formal orders to the effect should be issued by Government. I also explained to you that instead of Government issuing formal official orders on the Budget Estimates at the preliminary stage, it would be better to communicate the preliminary orders of Government on the Budget notes themselves submitted by the Comptroller. It is

is necessary to lay down the procedure formally in a Government order. I therefore submit a draft which I hope you will direct to be issued from the Finance Department. As orders referred to have been issued from that department, I think it would be better to issue from the same department, the orders directing stay of action on them. I have however no objection myself to the orders being issued from the General Department, but personally, I think it would be better to issue them from the Finance Department.

Yours sincerely,

K. L. Datta

Enclo: One.

D R A F T.

To,

The Comptroller,

to the Government of Mysore,

Sir,

I am directed to state that pending further orders of Government, the changes in classification directed to be made in the Budget Estimates submitted by you, may be held over.

2. In future, the preliminary orders of Government on the Budget Estimates will not be issued to you by means of official communication but through the Major Head Budget Notes submitted by you. These notes will be returned to you by the Finance Department after recording on them in abstract, the views of the Administrative Departments as also the preliminary orders of Government in the Finance Department. They should then be returned by you with brief abstracts, under each head, of the proposals made by the Heads of Departments concerned and your further remarks and proposals. These notes will be returned to you again with the remarks of the Administrative Departments and the final orders of Government in the Finance Department after the Budget programme has been finally settled. These will enable you to make the final necessary corrections in the detailed estimates and submit them to Government for presentation and discussion in the Representative Assembly.

3. As soon as possible after receipt of this final edition of the detailed Estimates and before the meeting of the Representative Assembly, formal orders sanctioning the estimate

The subject of this draft has been discussed with Mr. Datta & the Comptr (5 & 8.15 pm Wednesday evening) & we have arrived at an agreement. Pl. do not trouble any further about this. A memo embodying our final conclusions is being submitted to Govt & this will enable Comptr & the Govt to take action

28.3.29

estimates of revenue and expenditure of each department will issue from the Finance Department of Government officially for the guidance of the departmental officers as well as yourself.

4. The Budget notes should be resubmitted by you early in June with any remarks which might be called for with reference to later actuals, generally those of March and April and will be returned to you with orders recorded on them in the same way as in the case of the first edition, and after their receipt you will submit the final edition of the detailed Budget Estimates for presentation and discussion in the Legislative Council.

5. As soon as possible after the meeting of the Legislative Council, official orders will issue from the Finance Department regarding any alterations which might have been made in the final edition of the Budget Estimates.

K.L.D
23/3/17

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat. | File No. of 191 .

Serial No.

Classification in budget & Accts

A consolidated list of all changes in classification ordered on the 1st edition of the budget notes was prepared and the matter further discussed with Mr Datta & the Comptroller.

The conclusions arrived at are included in the statement placed below & they may be approved -

29/3

(1st member)

Copies with

30/3

To Compt (for note & return) with compliments,

30/3

Copy taken.

30/3/17

noted and returned

30.3.17

No. B1R849.

Office of the Comptroller in Mysore,
Bangalore dated the 29th March 1917.

My Dear Sir,

I herewith send the statement of changes in classification noting in its last column the opinions of Mr. K.L.Datta and yourself as arrived at, at yesterday's discussion of the matter.

Yours sincerely,

M N Narasimha Rao

SDV

Statement of changes in classification ordered by Government.

Receipts.

Major Head.	Particulars of change.	Opinion of Mr.K.L.Datta and the Financial Secy:.
I. Land Revenue.	(1) Rent on toddy trees may continue to be shown as a separate minor head. (2) Fees from Revenue Survey Records may be shown separately. (3) Land Revenue due to Irrigation" transferred to XXVI Other Irrigation works Pending orders of Government no transfer need be made.	A detailed account for showing these items may be opened for the minor head 3 Miscellaneous The trasnfer proposed may remain in this year's estimate. A note on the subject may be submitted to Government by the Comptroller.
II. Forest.	The following detailed heads may be retained:-- Firewood and charcoal==Under Timber etc., removed by Government Agency. Bamboos. ... Firewood and Charcoal==Under Timber removed by consumers or purchasers. Grazing & Fodder Bamboos. ... Fines and forfeitures== Under Miscellaneous. Rent on Toddy trees	These detailed heads may be opened.
III. Excise.	Ganja"~~Gur~~"Majum" ~~and "Bhabgs~~" and "Opium" may be shown as separate minor heads.	These minor heads may be opened.
VIII. Mining Revenue.	The charges against Mining Revenue may be transferred to the Expenditure Side.	This may be done and the name of the expenditure head altered to "Contribution to Capitalisation fund and other charges"
IX. Interest	The arrangement of showing Interest on capital in respect of Railway and Irrigation and other works under the head which earns	Deduct entry No. 5 under IX Interest may be shown on the expenditure side. To this entry should be added the guaranteed interest paid to the

	split up into "Interest" and "Profit" may be adopted. For convenience of reference and verification the amount of State and borrowed capital in respect of which the interest is calculated may be specified in brackets.	Guaranteed interest to the Minor head "4 Interest on Capital Expenditure" should also be made.
XXIV. Railways-Revenue Account	(1) The nomenclature of the two groups in the detailed budget as Madras and Southern Mahratta Railway and Mysore State Railways may be changed to "Mysore State Lines worked by M.&.S.M.Ry Co.," and "Lines worked by Mysore Government" respectively.	The names of the heads may be altered accordingly.
	2) The net earnings i.e., gross earnings minus working expenses and surplus profits paid to the M.S.M.Co., may be shown on the receipt side and analysed as follows:-- Interest on borrowed capital. Interest on State Capital Net profit. The interest to be paid on borrowed capital may be separately provided on the expenditure side. The Revenue account and the detailed heads may be rearranged as above.	Vide opinion recorded against the head "Interest"

Statement of changes in classification ordered by Government.

Expenditure.

Major head.	~~Officer proposing.~~	Alterations.	Opinion of Mr.K.L.Datta and Finl: Secry:
1. Land Revenue.	~~Government.~~	1. Temporary establishment may be shown separately in the estimates.	This information is given in the appendix and it need not therefore be given in estimates.
		2. Travelling allowance of officers and establishment may be shown under separate heads.	
		3. Special charges under Revenue Survey may be specified as in the case of General and Taluk establishment.	These may be shown separately.
2. Forest.	,,	1. The minor head 'Game Preserves staff' may bemain.	A separate minor head may be opened
		2. "Investigation of spike disease" may be shown separately under "special charges"	A separate detailed head may be opened
		3. Under "Salaries" and "Establishment" temporary and permanent may be split up and shown separately as heretofore	Vide opinion under I Land Revenue.
		4. Travelling allowance of officers and establishment may be split up and shown separately.	... Do ... ..
3. Excise.	,,	1. Permanent and temporary establishment may be shown separately.	Vide opinion under Land Revenue.
		2. Travelling allowance to Officers and establishment may be split up and shown separately as heretofore.	... Do ...
		3. Under 2 District Executive Establishment, Special charges, "Purchase of paint" may be shown separately.	This is not necessary.
		4. Under 3 Distillery Establishment, Water-tax may be shown separately from other contingencies.	This is not necessary.
5. Registration.	,,	Rs.200/- per mensem out of the pay of the Excise Commissioner and Inspector General of Registrations may be shown under "Superintendence" as hitherto.	May be done.
9. General Administration.	,,	Permanent and temporary establishment	Vide opinion under "Land Revenue".

		A detailed head "Special charges" may be opened under the following heads 2.Dewan and Members of Council-- Official Residences. 6.Reception and Entertainments of Guests. 1. Guests' Houses Under Gen.Secy: & Dy.Commr. 2. Carriages and Motor cars for Guests. Under General Secretary Under Chief Commandant.	Not necessary.
		Conveyance of horses and vehicles "with kit" may be separated from contingencies and shown under "special charges.	May be done.
10. Courts of Law.	,,	Travelling allowance to officers and establishment may be split up.	Vide opinion ~~made~~ under I Land Revenue.
11. J a i l s.	,,	1. The minor head "2 Jails establishment will be changed to "Jails and Lock-ups	The name of head may be altered accordingly
		2. The detailed head "Superintendent" and medical establishment" will be split up as under:-- Superintendents. Medical Establishments.	May be done.
		3. The detailed head "sanitation charges" will be split up into 2 heads. Power and Lighting Sanitation and Discipline.	Lighting charges may be shown under a separate head of that name and other charges now included under "Sanitation charges" may be shown under "Contingencies"
		4. The following establishment will be shown under "B Jail Manufactures" Work Instructors:-- Permanent Temporary Maistries etc.,	This may be done. The distinction between Permanent and temporary need not be shown in estimates as this comes in the appendix.
12. Police.	,,	1. Temporary staff may be shown separately and the Travelling allowance to officer and establishment separated.	Vide opinion under I Land Revenue.
		2. In the appendix "District Executive Force" may be substituted for "Rural	Name of head may be altered accordingly

Continued.

Major head.	~~Officer proposing.~~	Particulars of change.	Opinion of Mr.K.L.Datta & Financial Secretary.
14. Medical	~~Government~~	The provision for "Ayurvedic College" may be shown under "Education".	It may remain under "Medical"
		Details may be shown under "Grants to Hospitals and Dispensaries" as heretofore.	This may be shown in the appendix
		Temporary establishment may be shown separately from the permanent establishment.	Vide Opinion under I Land Revenue.
		Travelling allowance to officers and to Establishment may be split up under (1) Superintendance and (2) Hospitals and Dispensaries--(vii) District Hospitals.	--- Do ---
		Carriage of medicines under 3 Medical stores may be split up & shown separately from contingencies--Under special charges.	May be shown separately.
15. Sanitation.	,,	1. Travelling allowance to Officers and establishment may be split up and shown separately	Vide opinion under I Land Revenue
		2. The pay of Health officers, Bangalore and Mysore may continue to be shown in the estimate, an equal deduction being made as contributions by the respective municipalities.	May be done.
16. Scientific etc., Departments.	,,	1. The minor head "Public Libraries" may remain under "Scientific etc., Departments"	May remain under Education"
		2. Temporary and Permanent Establishments may be split up and shown separately as heretofore.	Vide opinion under I Land Revenue

		3. Travelling allowance of Gazetted Officers and others may also be shown separately.	... Do ...
17. Pensions and Allowances.	,,	Details by department under "Superannuation and Retired Allowances" may be shown as heretofore.	May be included in future when the statement is correctly prepared.
26. Co-operative Societies.	,,	Permanent and Temporary establishment and Travelling allowance to officers and establishment may be split up and shown separately.	Vide opinion under I Land Revenue.
28. Army	,,	Under minor head "Headquarters" Temporary and Permanent Establishment and Travelling allowance of Officers and establishment may be split up and shown separately.	.... Do ...

SDV/2-29-3

29.3.17

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

A Scheme of departmental settlement for Mysore.

Budget estimate for 1917-18

(receipt of each has been given to Asst Secy finance)

N.B. The notes in question were considered in Council on 31/3/17 and the principles enunciated seem to have been generally approved. It is for consideration and orders whether the details of the scheme should be considered by the finance committee for submission of their recomm to Council.

When?

4/4

2598
5.4.17

174
7-4-17

Three copies each of Mr. Datta's notes on the marginally noted subjects are forwarded, with compliments, to the Financial Secretary to Government, for favour of necessary action.

Secy
2/5

I think these notes do not require consideration by the Fin Committee at this stage as they have been considered by Council

4/4

President
Member.

I agree generally

I do not remember any resolution on these notes having been passed at Council. If there be any, I should like to see it.

4/4

*N.B.—Should routine notes be written on small slips the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20/7-16

BUDGET ESTIMATE FOR 1917-18.

(The figures in this note are in thousands of rupees.)

The first edition of the Budget Estimates gives the following results :—

	Budget, 1917-18	Revised, 1916-17	Budget, 1916-17	Accounts, 1915-16
	Rs.	Rs.	Rs.	Rs.
Total Revenue	3,10,10	2,86,70	2,56,99	2,68,15
Total Expenditure	2,42,15	2,51,02	2,43,79	2,19,45
Surplus ...	67,95	35,68	13,20	48,70

2. Some alterations have been sanctioned by Government in the Budget Estimates for 1917-18 and they are as follows :—

Revenue	Decreases	Expenditure	Increases
	Rs.		Rs.
Forest Revenue	5,00	Forest	1
Excise	2,14	Registration	12
Railway Revenue Account ...	16	General Administration ...	37
		Courts of Law	—1
		Jails	7
		Medical	11
		Sanitation and Vaccination ...	5
		Scientific and Miscellaneous Departments	2
		Army	34
Total ...	7,30	Total ...	1,08

3. The estimate of the net profits from the Sandal Oil Factory has also to be reduced by 7,66 to provide for a part of the sale proceeds remaining unrealised at the end of the year, for a decrease in the price of the oil from Rs. 30 to Rs. 25 per lb. and for payment of insurance charges to a fund to be created in the State for the purpose.

4. Provision should also be made for the surrender to Local Bodies of the Mohatarfa taxes for which 2,68 has been included in the Budget. The provision of 3,00 under grants for Miscellaneous Public Improvements, for Village Improvements and sinking wells in villages should also for the same reason be omitted. If the Government want to make any special grants for these special purposes to Local Bodies, they may be provided for separately as explained later on. But the amount should not be so large as has already been provided for in the Budget and which is now proposed to be struck out. The net receipts under 'Interest' should also be reduced by 1,25 to provide for the additional charges for interest on Savings Banks deposits which will be involved in consequence of the higher rates of interest decided upon.

5. The alterations will then be as follows :—

	Revenue	Expenditure
	Rs.	Rs.
As in para 2	—7,30	108
Do 3	—7,66	.....
Do 4	—2,68	—3,00
Do	—1,25	.....
Total ...	—18,89	—1,92
Total Budget Estimates for 1917-18 as corrected above ...	2,91,21	2,40,23

6. In my note on the " Decentralisation " scheme, I have suggested the provision of the following reserves :—

	Budget, 1917-18		Revised, 1916-17	
	Revenue	Expenditure	Revenue	Expenditure
	Rs.	Rs.	Rs.	Rs.
Famine Relief and Insurance in addition to the present reserve of 2,00 ...	...	3,00	...	3,00
Capitalisation Fund	...	11,17	...	11,18
Interest on the balances of the above two funds	—1,75	...	—1,00	...
Reserve for interest and sinking fund for capital expenditure	...	11,00	...	11,00
	—1,75	25,17	—1,00	25,18
A special non-recurring grant of 2,00 has to be made under Army and 50 under Stationery in Budget to provide for the special expenditure connected with the war and the rise in price of paper respectively	...	2,50	...	...
Decrease in estimate of net profits in current year of Sandal Oil Factory for reasons explained in para 3 ...	...	...	—2,24	...
	—1,75	27,67	—3,24	25,18
With these alterations the figures will stand as follows :—				
As calculated in para 5 ...	2,91,21	2,40,23	2,86,70	2,51,02
Alterations above in this para ...	—1,75	27,67	—3,24	25,18
As corrected	2,89,46	2,67,90	2,83,46	2,76,20
Surplus as corrected	...	21,56	...	7,26

7. In my note on decentralisation, I have suggested that allotments to the departments should be made aggregating 11,00. If Government accepts the scheme and the amounts proposed, the *pro forma* accounts of the departments will stand as shown in the statement annexed. The balances at credit of the different spending departments will be as follows :—

Direct Demands on the Revenue	1,68
Palace	74
Administration	69
Protection	3,48
Public Works	2,36
Local Self Government	60
Moral and Material Development	7,60
Capital Expenditure on Irrigation	2,25
Total ...	19,40

8. The above are the funds available to the different departments for meeting additional expenditure which may be sanctioned by Government for their reorganisation and development. The above figures are subject to modification with reference to any alterations which may be made in the second edition of the Estimates but these modifications will be small if schemes of development and reorganisation are excluded. It is now for Government to decide what are the schemes of development and reorganisation which the Government are prepared to undertake and which can be matured in time to be given effect to in the next year and what are the probable amounts which are likely to be spent on them in 1917-18. Such amounts should be provided under the different heads and the difference between the aggregate of these amounts and the aggregate balance at their credit, will be charged under the head "Unspent allotments added to Departmental balances," so that the total addition to be made to the Budget Estimate of Expenditure is 19,40, calculated in para 7, which will reduce the surplus in the Budget to 2,16 only.

9. I had originally thought that following the practice in British India, it might be necessary to start the Departments with a working balance which would have reduced the surplus in the Revised. But considering the balances at credit of the several departments, it does not appear to me necessary to do so except in the case of Local Self Government which may be given an allotment of 2,00 in the Revised so as to raise the balance at credit of the head shown above to 2,60. This will have the effect of reducing the surplus in the Revised to 5,26.

10. The balances shown above will enable Government to determine the additional expenditure under the different heads to be provided. I would make the following observations :—

Direct Demands on Revenue—

Reorganisation of Land Revenue establishments. Provision may be made to the extent of 50
Registration is already provided for by a provision of 12 ... ...
Provision for Forest and Excise if any scheme can be matured soon ... ...

Administration—

Nothing appears necessary immediately ... ...

Protection—

Courts of Law. A provision may be made for separation of Judicial from Executive functions 50
Police. A provision may be made for reorganisation to the extent of 1,00
Medical. A provision may be made for reorganisation to the extent of 50
Army. Nothing is perhaps necessary till the war is over and the troops come back from field service ... ...

Public Works—

Provision may be made for the extension of communications and sanitary works to the extent of 1,00

Self Government—

Nothing is perhaps necessary in addition to the provision of 6,93 in the Budget Estimates ...
If any special grants are in contemplation, it may of course be provided for from the balance of 2,60 ... ...

Moral and Material Development—

Economic Conference. The Secretary has proposed a large addition and it is for Government to decide how much should be added. I would suggest an addition of 91 which will raise the Budget to 3,00 91
Education. A substantial addition will be necessary which may be roughly estimated at 3,00 pending receipt of proposals from the Inspector-General 3,00
Agriculture, Industries and Commerce and Co-operative Societies. I am unable to make any suggestions as I am not aware what new schemes are in contemplation. The total will not probably exceed 50

Total ... 7,91

11. In any case, whatever additional provision is decided upon, the surplus in the Revised and Budget will be 5,26 and 2,16 while the surplus in the accounts of 1915-16 is 48,69. The accounts of the year have been closed and it is not possible to alter the surplus now.

K. L. DATTA,
25-3-1917.

Pro forma Account of Departments for 1917-18.

Name of Account	Initial allotment	Lump allotment	Special allotments	Share of growth of revenue	Total credits	Estimated expenditure	Balance
Principal Heads of Revenue ...	35,03	1,50	...	—39	36,14	34,46	1,68
Palace	27,04	....	...	2	27,06	26,32	74
Administration	25,95	50	(a) 50	2	26,97	26,28	69
Protection	39,63	4,00	(b) 2,00	4	45,67	42,19	3,48
Public Works	28,22	1,00	...	5	29,27	26,91	2,36
Local Self Government ...	7,00	50	...	3	7,53	6,93	60
Moral and Material Development ...	34,44	3,50	...	16	38,10	30,50	7,60
Reserve for Interest and Sinking Fund on Capital Expenditure ...	12,33	...	...	...	12,33	12,33	...
Allotment for Capital Expenditure on Irrigation Works... ...	7,50	...	...	...	7,50	5,25	2,25
Total ...	2,17,14	11,00	2,50	—7	2,30,57	2,11,17	19,40

(a) For Stationery to provide for rise in prices.
(b) For Army to provide for additional expenditure due to war.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

This is the 1st time I see it. It has not been referred to me. [illegible]

A copy of Council resolution dated 31.3.1917 obtained from the Govt Secy's office is submitted for Members perusal.

It is regretted that a copy was not submitted earlier.

I have discussed both the notes very fully with the Govt officers, arrived at substantial agreement and the new budget has been prepared in accordance with the principles contained in his notes. In these circumstances further discussion in the Finance Committee does not seem necessary.

9.4.17.

Member
Fin Committee

237
9-4-17

Sec. Head is drafted was not long received, approved — by all the Members of Council. If any Member has not received it by me — I do not agree to pass it without further discussion. No meeting of the Council is known necessary. This may be shown to the Govt

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

W.D. 84—GPB—60,000—20-7-16.

Second Member's note on the Council Resolution of the 31st March 1917 in regard to the Budget Estimates for 1917-18.

Dated ~~the~~ 4th May 1917.

.....

On the 31st March last, Mr.Datta's notes on the scheme of Departmental Settlement and the budget estimates prepared by him were considered at the Council meeting. On the 4th of April, the Financial Secretary circulated the notes with the remark that as they have been ~~xxxxx~~ considered in Council, no further action was necessary. As I had not seen the resolution of the Council as finally drafted I called for it and on the 9th of April the Financial Secretary sent a copy of the resolution to me saying that he obtained it from the General Secretary's office. Paragraph 5 of the resolution is as follows:-

"The question whether net earnings or net profits "deducting interest should be shown in the budget "under the Revenue Account - Capital Works - has been "considered and it was decided that net earnings "without deducting interest be shown on the receipt "side of the budget. Proper capital and revenue ac- "count should be maintained for all large capital "works and an abstract appended to the budget".

Seeing this resolution, I made the following remarks on the note sheet:-

"Seen. The resolution as drafted was not, to my "recollection, approved by the Members of Council at "the meeting. At any rate, it was not circulated to "me even later. I do not agree to paragraph 5 with- "out further discussion. This may be shown to the "Dewan. "

In this scheme of departmental settlement which was considered in Council, the question of interest was not specifically dealt with, except incidentally in paras 13, 14 and 15. It was in the note on budget classification that Mr.Datta specially recommended that charges on account of interest should be deducted from the Receipts and only the net result shown in the Abstract Account on the Receipt side as revenue realized on account of interest; and if I remember right, this recommendation was accepted by the Finance Committee.

According to the Rules of Council Business (vide rules 31 to 33) , the opinion of the Council has to be drafted as soon as it is arrived at and the approval of the Members taken thereto at the meeting. In intricate and difficult cases, correct notes of the opinions formed by the Council have to be drawn up by the General Secretary and approval of the Council taken to the draft notes as above. Formal drafts of the opinions could be prepared afterwards on the basis of the drafts and notes referred to above, which need not be circulated to the Members of the Council.

In the present case, I find in the file two sets of draft notes - one prepared by the Financial Secretary in pencil and the other by the General Secretary. As regards interest and net earnings, the Financial Secretary's draft note reads as follows:-

"The question whether net earnings or net profits "deducting interest should be shown in the budget in the "Revenue Account or Capital Works should be considered "and brought up for orders. Pending further orders, "the system of showing net profits as prepared by the "Special Officer may continue. Proper Capital and Reve-"nue accounts should be maintained for all large capital "works."

In the General Secretary's notes which were taken at the meeting, the following appears:-

"Develop a proper form of net revenue under Works and "capital expenditure, maintaining separate capital and "revenue account for each work".

It is evident that the final resolution approved by the Dewan and also initialled by the First Member is not consistent with either of the draft notes referred to above on the subject.

I take exception to the procedure followed in this case, because it is against the rules 31 to 33 of the Council Rules of Business referred to above.

No resolution was arrived at at the meeting nor was any approval taken of the Members at the meeting, to any draft notes referred to in Rule 32 of the Rules. The formal draft as approved by the Dewan and submitted to His Highness is inconsistent with the draft notes on record of the General Secretary and at all events is not supported even by the pencil notes subsequently drawn up by the Financial Secretary. The question was fully discussed at the Finance Committee with reference to the proposal to deduct interest and show only the net earnings and Mr.Datta's suggestion was accepted. The resolution of the Finance Committee on the subject and of the Council thereon, if there be any, may be put up in this connection.

As this is an important matter I suggest that before fully ratifying the paragraph 5 of the Council resolution as approved by the Dewan, it may be further discussed in Council and Mr.Datta be requested to be present at such discussion. As the resolution approved by the Dewan has been submitted to H.H. I request that this note may also be submitted

C. S. S-2917

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

4.5.17.

7 M. 12.12.16

General and Revenue Secretariat. | File No. of 191 .

Serial No.

Gul req. for Issue of transaction. Diwani adds may be taken

Ihave marked the 3 points requiring 4.5 — overs — in the Note Dewan)

C.S. Put up

Dewan 4/5

Submitted to His Highness.

B
C

I submit herewith a note by the Second Member of Council on a Council resolution relating to the next year's Budget, adopted at a meeting held on the 31st March 1917. The question is one of mere classification and presentation and is of little practical importance. It forms part of a Council resolution as in the course of the discussions in the Council, I understood the Second Member acquiesced in the view I had expressed. As, however, he now dissents, I have submitted the papers for His Highness' information.

2. The question is only of technical interest and although Mr.Datta's view might be strictly correct from the Government of India account point of view, it does not seem desirable to show the earnings from our productive works in two different places in the Budget (viz., partly under the general head 'Interest' and partly under 'Profits' from the works concerned).

Several inconveniences arise by adopting the procedure suggested. For one thing, some productive works may not earn the full rate of interest for the first ten years. The Government of India allow a period of ten years to elapse after construction, before deciding whether a particular work has fulfilled expectations as a productive work or not. If during this period a work yields less than 4 per cent, then a minus entry will have to be shown against it in the budget, which will give a very misleading impression to the average lay reader.

These anomalies will be avoided if the course laid down in the Council resolution is adopted. Full information will, however, be available to the public as separate Capital and Revenue accounts in respect of each important Capital undertaking will be incorporated in the Budget. These accounts will give separately the information required by the Second

Member, viz., the interest earned by the works and also the net profits, if any, (vide page XI of the Budget Estimates for the next year).

3. The Resolution as drafted has been approved by the First Member and no action seems necessary on the reference. The papers will be recorded after kind perusal by His Highness.

A. Vijayaraghavan
22nd May 1917

Record of Cases submitted for the Orders of His Highness the Maharaja.

H.C.No.91.
23rd May 1917.

HH 65-16
23.5.17

Subject.

Second Member's note on the Council Resolution of the 31st March 1917 in regard to the Budget Estimates for 1917-18.

1198

Order.

~~KRW~~
30/5/17

3619
7.6.17

7/6/17

12b.
8.6.17.

Hy.6

7.6.17.

for circulation
2.6.17

31.5.17

1st Member).
2nd Member)
Extraordinary Member)

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2

General and Revenue Secretariat.

G.S.R. File No. 156 of 1916.

Serial No.	

NOTE—Contn. sheet.

5.

G. F.

G. R. S. 26] 29/1

File No. 156-18

Serial No.

*Diary No. of letter replied to*_____

No. K 4212

General and Revenue Secretariat

( )

, the *191* .

To

30 January 1917

The Comptroller

Sir,

I am directed to forward herewith Copy of the resolution of the Finance Committee on Mr. Datta's note about Classification ~~and~~ of Receipts and Expenditure and to request that very early action may be taken on the lines indicated in para 10 thereof.

I have to

Date of issue 30-1-17

Signed by W Sreenivasaraya

To be typed by the despatching section

29.1.17

For Financial Secy

SUBJECT. Hon. Mrs 29.1.17

List of enclosures,

Copied by

Examined by

GPB—25,000—4-3-13

G. R. S. 26]

GEN. & REV. SECRETARIAT. TYPING Sec. 1 MAR 1917

G. 7.

File No. 176-16

Serial No. 2.

Tidy draft

Diary No. of letter replied to .....

No. H 4836

& 2nd March 17

General and Revenue Secretariat

( )

, the *191* .

Date of issue 2-3-17

Signed by W Sreenivasa Rao for

To

The Comptroller

Sir,

With reference to your letter no: 670 dated 23d. Feb'y 17 and later Communications Submitting the budget estimates under certain heads for 1917-18 in the revised form as proposed by Mr. Datta, I am directed to observe that in my letter no: H 4212-G. F. 156-16-1

over.

SUBJECT.

KML 113

dated 30th January 17
You were requested to
get complete budget-
forms prepared and
printed in accordance
with Mr. Datta's suggestions
and submit them to Govt.
for approval. I am, therefore
to request you to be so
good as to send the forms
Complete for approval
at an early date.

I have &c

Fin Secy to Govt.

List of enclosures

18
27.2.17

Here. DM
27.2.17

Copied by

Examined by

GPB—20,000—10-10-14

D 2060

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters, below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government. — the communications.

No. 7363 Bud. 733 OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

FORM *Dated Bangalore, the* 5th March *191* 7.

5 MAR 1917

To K. N. Krishna Rao, Esq.,
DIWANxBAHADURxJ.xSxCHAKRAVARTIxEsq.,xM.xx,
xxF.R.A.S.x ETC.,
Offg. *Comptroller to the Government of*
His Highness the Maharaja of Mysore.

To Rajamantrapravina Diwan B. Madhava Rao
J. S. Chakravarti ..., Esq., M.A., F.R.A.S., Etc.,
Secretary to the Government of Mysore,
Financial *Department.*

SIR,

I have the honour to acknowledge the receipt of your letter No. Fl. 4836/G.F. 176-16-2 dated 3rd March 1917.

2. A copy of the resolution of the Finance Committee on Mr. Datta's suggestions for revision of classification of receipts and disbursements was communicated to this office with your letter No. Fl. 4212/G.F. 156-16-1 dated 30th January 1917. The revision of the Budget Forms in accordance with the resolution of the Finance Committee involved considerable work and at the same time the new procedure for preparing the Budget Estimates for 1917-18, also entailing heavy work on this office, had to be brought into force as directed in Government Order No. Fl.3396-444/G.F. 107-16-1 dated 19th December 1916 and the departmental budgets had also to be issued from the 20th February 1917. The new forms are accordingly submitted along with the Budget estimates for 1917-18 and a complete set of them will be sulmitted shortly.

I have the honor to be,
S i r,
Your most obedient servant,

Offg. Comptroller.

SDV

GPB—2,000—25-8-14

C. O. 42-Rec.—17]

.....Department

191 7.

FROM

~~DIWAN BAHADUR~~
J. ~~S. CHAKRAVARTI, ESQ., M.A.,~~
~~F.R.A.S., ETC.,~~
The Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

...., ESQ.,
The Secretary to the Govt. of Mysore,
Financial Dept.

Dated

Despatched 5-3-1917

Received 730

No. Bud 733

Subject matter.

State that the new Budget forms are submitted along with the Budget Estimates for 1917-18 as per G.O. No. Fl 3396-466/GF 107-16-1 dt 19-12-16 & that a complete set of them will be submitted shortly.